

The **NATIONAL UNDERWRITER**



(What to Sell Inland Marine Prospects)

ATHLETIC EVENTS, CONCESSIONAIRES, ETC.—Rain Insurance.

BANDS and ORCHESTRAS—Musical Instruments; Band Paraphernalia Floater.

CONTRACTORS—Contractor's Equipment; Surveyor's Equipment; Installation Floater; Bridge Builder's Risk.

GOLFERS and SPORTSMEN—Sports Equipment Floater; Personal Effects Floater.

INDIVIDUALS—Camera; Jewelry and Furs; Musical Instruments; Fine Arts; Personal Effects; Silverware; Sportsmen's Equipment; Stamp Collections; Scheduled Property Floater; Personal Property Floater.

MANUFACTURERS, MERCHANTS and WHOLESALERS—Deferred Payment Merchandise; Transportation; Trip Transit; Parcel Post; Garment Contractor; Processing Risks; Salesmen's Samples; Installation Floater; Scheduled Property; Pattern Floater.

PHOTOGRAPHERS—Camera Floater.

These are only a selected few of the "57 Varieties" of Inland Marine prospects. You are cordially urged to use the broad facilities of our aggressive Inland Marine and Special Lines Department for writing these and other classes. You are always assured of hearty, helpful cooperation from our Fieldman or nearest office.



The Pennsylvania Fire Insurance Company

... ESTABLISHED 1825 ...



— Writing Fire, Automobile, Ocean and Inland Marine, and ALL Kindred Lines

THURSDAY, JUNE 4, 1942

MEET MR. U. S. JONES

You may have him on your books now, or perhaps he's a prospect of long standing. In either case, you'll find he's not quite the same Mr. Jones he was in 1941 . . . You'll find him not only a year older, but a year wiser. Wartime living has taught him the importance of protecting what he owns. He's more ready to discuss his needs, and you'll find him highly interested in your suggestions on the important subject of loss prevention.

- Chances are he's better fixed financially; better able to afford the protection he needs. It's very likely he requires more insurance, because of changing conditions and increased values which affect his home as well as his business
- It's important to wartime economy that insurance protection be kept in step with swiftly changing needs and emergency conditions. Be sure to see Mr. U. S. Jones again soon.

Would you like to see a plan which will save time and effort for you in this important job of looking after the insurance requirements of your community? Our Insurance analysis Plan is free on request. Use the coupon below.

The National Fire Group
Hartford, Conn.

Gentlemen:

Please send me a copy of your Insurance analysis Plan.

Name..... (Please Print)

Address.....

N.U.-18

THE NATIONAL FIRE GROUP

NATIONAL FIRE INSURANCE COMPANY OF HARTFORD • TRANSCONTINENTAL INSURANCE COMPANY
MECHANICS & TRADERS INSURANCE COMPANY • FRANKLIN NATIONAL INSURANCE COMPANY OF NEW YORK

Home and Administrative Offices: Hartford, Connecticut

Western Department: 175 West Jackson Boulevard, Chicago

Pacific Department: 234 Bush Street, San Francisco



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LOOK

for this advertisement
in the June 6th issue of
THE SATURDAY EVENING POST

It is the first of a series of
national magazine advertise-
ments planned to help sell
you, the local agent, and
the value of your services
to the insuring public.

YOU CAN BENEFIT
BY THIS ADVERTISING
IN YOUR COMMUNITY

Ask for the posters
and reprints of these
advertisements for
window display and
for use in outgoing
mail.

WRITE TO THE ADVERTISING DEPARTMENT
THE FIDELITY & CASUALTY COMPANY OF N.Y.
80 Maiden Lane, N.Y.



singing in the bathtub

— yet he's in one of the danger
spots of civilization.

The four million injuries and
over thirty thousand deaths oc-
curring annually in the home
are convincing proof of the need
for Personal Accident Insurance.

Accidents resulting in lost time
plus doctor, nurse and hospital
fees, put a double burden on the
family expense account which is
sometimes hard to meet.

Ask your local Fidelity and
Casualty agent or broker about
our Maximum Benefit Personal
Accident policy. It's a good in-
vestment against an emergency.



Insure through a
Fidelity & Casualty
Agent

He is trained and experi-
enced in the preparation
of policies to meet your
individual requirements;
he is always available to
advise and serve you in
the event of loss; he
represents a company of
this strong, capital stock
group which has paid out
more than \$1,150,000,000
in claims since 1853.

The Fidelity and Casualty Company of New York

A Member Company of

THE AMERICA FIRE INSURANCE AND INDEMNITY GROUP

BERNARD M. CULVER
President

FRANK A. CHRISTENSEN
Vice President

comprising the following companies
THE CONTINENTAL INSURANCE CO.
NIAGARA FIRE INSURANCE CO.
FIRST AMERICAN FIRE INSURANCE CO.

FIDELITY-PHENIX FIRE INSURANCE CO.
AMERICAN EAGLE FIRE INSURANCE CO.
MARYLAND INSURANCE CO.



MANY LARGE COMPANIES ARE NOW TAKING A CENSUS OF EMPLOYEES' CARS AS PART OF NATION'S PROGRAM TO GET 40,000,000 WORKERS TO THEIR JOBS ON TIME



I WANT TO COOPERATE UNDER A "CAR OWNERS" PLAN TO HELP RELIEVE OUR WARTIME TRANSPORTATION SHORTAGE AND TO HELP CONSERVE OUR TIRES AND GASOLINE...

NAME		CITY		HOURS OF WORK TO		MILES TO WORK	
ADDRESS				DAYS WORKED			
I DO <input type="checkbox"/> OWN A CAR I DO NOT <input type="checkbox"/>		I NOW GET TO WORK USING: <input type="checkbox"/> MY CAR <input type="checkbox"/> ANOTHER'S CAR <input type="checkbox"/> BUS NAMES AND NUMBERS <input type="checkbox"/> ST. CAR NAMES AND NUMBERS <input type="checkbox"/> OTHER		I CAN GET TO WORK USING: <input type="checkbox"/> MY CAR <input type="checkbox"/> ANOTHER'S CAR <input type="checkbox"/> BUS NAMES AND NUMBERS <input type="checkbox"/> ST. CAR NAMES AND NUMBERS <input type="checkbox"/> OTHER			
IT WILL CARRY PASSENGERS							
THE TIRES HAVE MILES LEFT							
WHEN I DRIVE TO WORK I PARK MY CAR AT							
COMMENTS:							

VOLUNTARY TRANSPORTATION COMMITTEES TO ROUTE FULL CARS TO WORK ARE SET UP BY PLANT EMPLOYEES IN EACH COMMUNITY

The problem of getting 40,000,000 workers to their jobs is being taken over by America's car owners. Neighbors are already doubling up to go shopping, to take children to school, to go to work... *but not enough of them!* Your company and your employees can cooperate by taking a census of workers' cars. Here's how you can do it in your community:

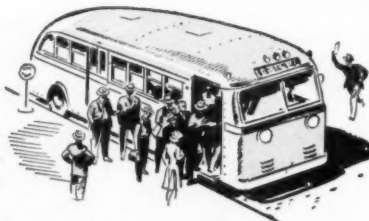
- (1) Fill out cards, like the one shown here,
- (2) Sort cards by residential districts,
- (3) Select sectional committees to act as traffic control groups for each district to assure equitable use of cars,
- (4) Route *full* cars to work on every shift. Details can be worked out quickly by you... your workers... your community. The important thing is to start today to get every last mile of use from our cars, our gas, our tires!

Make a map like the one above, on which to chart the routes for each residential district. Dots indicate workers' homes; circles indicate workers with cars.

This card is a sample guide. Make changes to suit your needs. Reprint or copy form on filing cards for each worker to fill out and turn in to your Transportation Committee.



Trolleys can't do it ALONE. Even with staggered work hours to level off transportation peaks there aren't enough trolleys to take America's millions to work.



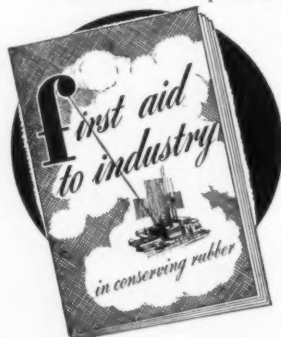
Buses can't do it ALONE. They're already taxed to their full seating capacity. And enough vital steel and rubber can't be spared to build enough new buses.



Trains can't do it ALONE. Although every railroad is cooperating 100%, many of America's mighty war production plants can't be serviced by trains, subways.

HOW TO CONSERVE MECHANICAL RUBBER GOODS

This 48-page book is for managers, engineers and plant operating men. It shows how you can conserve rubber through proper handling, installation and care of rubber conveyor, elevator and transmission belts; all types of industrial hose; packings; linings; rolls; mountings; and other mechanical rubber goods; and electrical wires, cables, and tapes. For free copies, write directly to Mechanical Goods Division, United States Rubber Company.



GET FREE MILEAGE BUDGET CHARTS

and copies of this free 32-page book on tire care from your local U. S. Tire Dealer or write direct to the United States Rubber Company. Hundreds of thousands of these charts and books are already in the hands of American car owners—helping to save tires, gas and oil.



IN AMERICA'S FIGHT FOR LIFE, EVERY TIRE-MILE MUST BE SAVED FOR ESSENTIAL DRIVING

UNITED STATES RUBBER COMPANY

1230 Sixth Avenue • Rockefeller Center • New York

War Damage Cover Plans Approved

WASHINGTON—Plans for the handling of the war damage insurance recently provided for by Congress were outlined Tuesday by Secretary of Commerce Jesse Jones, announcing a program worked out in cooperation with representatives of the fire insurance industry.

Policies will be written through the fire insurance companies as fiduciary agents, and the companies cooperating in the program will assume 10 percent of all losses in excess of net premiums collected after expense, with a maximum aggregate loss to them of \$20,000,000 with a corresponding percentage and amount of the net profits, if any.

The fiduciary agents will be paid 3½ percent of premiums collected to cover their costs and overhead, with a minimum of 50 cents per policy and a maximum of \$700. The producers—insurance agents and brokers—will be paid a commission of 5 percent of premiums collected, with a minimum of \$1 and a maximum of \$1,000 per policy.

The necessary manual of rates, rules and regulations, and application blanks are now being printed and will be distributed throughout the country about June 20. Warning was given that persons desiring the insurance should make application as soon as blanks are available, because the blanket protection now in force will expire June 30. Applications are to be submitted to local agents and brokers.

Twelve Month Cover

Policies will be issued for twelve months period to cover physical loss of real and personal property which may result from enemy attack or action of our own forces in resisting enemy attack but blackout, sabotage, capture, seizure, pillage, looting, use and occupancy, rent, rental value, or other indirect loss or consequential damage will not be covered.

No protection will be afforded for accounts, bills, currency deeds, evidences of debt, securities, money or bullion. Jewelry, furs, precious and semiprecious stones, statuary, paintings, pictures, etchings, antiques, stamp and coin collections and manuscripts will be protected for individual owners up to \$10,000 with a \$5,000 limit for any one article, and for museums and dealers up to \$100,000 with a \$5,000 limit for any one article. Jewelry and furs up to \$1,000 may be included as residential contents under the residential rate. Growing crops will be protected up to \$100,000 per single owner; pleasure watercraft and aircraft up to \$10,000 while not in use.

Nationally Uniform Rates

Secretary Jones explained that an effort has been made to provide reasonable protection at as low a cost to the insured as possible. "Recognizing that losses occasioned by war are a national problem," he said, "Congress specified in its legislation that rates for this protection should be geographically uniform, that is the rates to be charged will be the same in the middle of the United States as they are on or near the coast." For the present, he added, insurance will be written in the Con-

tinental United States, Alaska, Hawaii, Virgin Islands, Puerto Rico, and the Canal Zone.

The Secretary announced a table of rates on various types of property, as follows.

Growing crops 5 cents on \$100; farm buildings, dwellings rural and urban, including contents, 10 cents on \$100.

No coinsurance will be required on farm buildings and dwellings but on all other property a 50 percent coinsurance clause will be required with fixed credits from the established rates for coinsurance above 50 percent.

Churches, hospitals, public buildings, 10 cents per \$100 on fire resistive and 15 cents on ordinary construction; apartments, office buildings, warehouses 15 and 20 cents; manufacturing plants, wharves, bridges 20 and 30 cents; railroads and public utilities 30 cents on non-classified construction; rolling stock 25 cents; roadbeds and trackage 10 cents; floaters for movable property (with 100 percent coinsurance mandatory) 25 cents; property in transit 3 cents; vessels under construction 25 cents for fire resistive, 37½ cents for ordinary construction; vessels devoted to storage or industrial uses 50 and 75 cents; ferries, commercial hulls, storage cargo, pleasure craft 50 and 75 cents; pleasure watercraft and pleasure aircraft (when not in use) 25 cents.

INSURING CLAUSE

The insuring clause of the War Damage Corporation policy reads: "In consideration of the payment of the premium, the corporation agrees to indemnify the insured, and legal representatives, against direct physical loss of or damage to the property described in the attached application which may result in an enemy attack including any action taken by the military, naval or air forces of the United States in resisting enemy attack." It will be noticed that indemnity is for "direct physical loss." Consequential loss and U.&O. is definitely excluded. There may be considerable agitation to have the War Damage Corporation grant such coverages but the present disposition is not to do so.

Resistance by Allies

One important manufacturer some weeks ago circularized all members of the insurance group that were mapping the details, requesting that U.&O. insurance be arranged. He felt very keenly that an assured who is put out of business by reason of a war caused peril suffers just as real a loss insofar as profits are concerned as he does in the destruction of property. However, the conferees and government authorities themselves, it is believed, felt that the War Damage Corporation should go no further than providing indemnity against direct physical damage. The feeling is that the complications might be endless if U.&O. cover should be granted and an organization that loses its profits by direct enemy attack is in no worse a fix than a company that is unable to operate and make profit because of priorities, inability to get ma-

terials or because of other wartime restrictions and there is no disposition to indemnify those in the latter category.

It is also observed that while the policy insures against damage caused by the forces of the United States resisting enemy attacks, it does not insure against damages done by our Allies in resisting enemy attacks. That it is understood, was specially considered by the conferees and it was agreed that the legislation creating the War Damage Corporation did not permit the WDC to insure against that class of damage.

It is also clear that the insurance would not cover damage caused by explosions of munitions, except in the course of an enemy attack or resistance to attack nor would it take care of damage done in normal training operations such as the collision of a plane with a building.

The policy goes on to recite that the insurance will take effect on the commencement date stated in the policy at noon standard time at the place where the property is located and shall terminate 12 months thereafter at the same hour.

As a matter of fact, when it comes to renewal, the War Damage Corporation, it is believed, will quite likely base its decision on the results. If there has been no loss to speak of the probability is that all of the policies will be renewed automatically without charge.

The policy itself is unconventional in that it consists of a four page sheet and is not folded as a filing face and back like the ordinary policy. On the face of the policy there is a place for the entry of the policy number, name of the assured, mail address of the assured and commencement date. There is space for signature of an officer of the War Damage Corporation and countersignature by the insurance company (authorized fiduciary agent).

General Conditions

On Page 2 are contained the general conditions and these are continued on Page 4. On Page 3 are to be attached the application and endorsements.

The form of application contains a place for entry of name of the applicant, mail address and then there is a schedule of insurance under the headings of description and location, occupancy class, construction class, amount of insurance, rate and premium. There is a loss payable provision, a place for statement of the applicant's interest in the property, a statement that insurance shall become effective three days after the application is received and

Data for Distribution to Public Available

Full information regarding the new war damage insurance set-up of particular interest to the public are given in the special War Damage Edition of the Insurance Buyers' Digest. See Page 5 for details.

approved by the fiduciary agent and there is a place for the name and address of the producer.

The provision making the coverage effective three days after receipt and approval of the application was introduced to prevent the possibility of a surge of buying when and if enemy attack might appear to be imminent, in some particular locality. It is also believed that this provision will stimulate the buying of war damage cover by property owners as a routine business transaction when the skies are clear since they will know that they will not be able to get under cover on the spur of the moment.

Automobile Coverage

It is provided that coverage will be given on automobiles and other movable property. Coverage on jewelry and furs will be given up to a maximum of \$1,000. There is a rule that only one policy may be issued for one property or for a group of properties, if written blanket. The main reason for that provision is to prevent the writing of a number of policies on very large property to enable the producer to avoid the limitation of \$1,000 in fee that is imposed for the submission of any one application. The producer is to get a fee of 5 percent of the premium with a minimum of \$1 and a maximum of \$1,000.

TERMS OF AGREEMENT

The agreement between the War Damage Corporation and each fiduciary agent involved a great deal of study and work. It is understood that this agreement was composed largely by C. A. Loughin of Home and Chase Smith of National Retailers Mutual.

The agreement provides that the fiduciary agent is to receive the applications, collect the premiums and issue the policies. It is to maintain books and records and act in good faith and handle the business in a way that measures up to the highest standards of the insurance business. There was considerable discussion on this point. The companies did not want to be in the position of guaranteeing the correctness of their work and to be called upon to make good a sizable deficiency because of some clerical error or in misclassifying of property or something of the kind. The companies are to receive 3½ percent for their out of pocket expenses in handling the business with a minimum of 50 cents per policy and a maximum of \$700. There is a provision for adjustment of the cost factor in the final windup with the idea that the companies would not be permitted to make any profit from this fee.

Special Bank Account

The funds are to be placed by the fiduciary agent in a special bank account and a report is to be sent to the War Damage Corporation each month within 20 days after the end of the month.

There is a provision that the fiduciary agent will not write the type of war damage insurance which the War Dam-

(CONTINUED ON PAGE 10)

To Dovetail U. S. Land, Sea War Risk

Move Also to Cut Delays in Settling Ocean Losses of Unknown Cause

NEW YORK—Representatives of the War Damage Corporation and the War Shipping Administration are jointly studying the question of the scope of their respective coverages with the aim of seeing to it that there are neither gaps nor overlaps in the government's covering of war hazards on land and water, Percy Chubb, 2nd, director of wartime insurance War Shipping Administration, disclosed in his talk at the American Management Association insurance conference here.

Mr. Chubb also said that in connection with the war risk insurance provided by the WSA many questions have been raised as to the status of a policyholder in the event his cargo is lost and it is impossible to determine the cause of loss. Negotiations between representatives of the American Institute of Marine Underwriters and the WSA have progressed sufficiently far, Mr. Chubb said, so that he is confident that a definite plan will shortly be adopted under which the marine underwriters and the WSA will jointly advance to the owner the amount of loss and will subsequently settle between themselves the question of cause of loss and ultimate responsibility. He said that while these negotiations have not yet been concluded and a formal agreement reached there has been a complete meeting of minds on the desirability of such a program.

Outlines WSA Program

After outlining the War Shipping Administration program's purposes, Mr. Chubb said that the administration at the outset decided not to accept a credit risk and accordingly decided against issuing open policies. Second, since it was felt to be inconsistent with sound public policy to permit owners of private property to make a speculative profit by reason of losses collectible under WSA policies, it was felt necessary to insist on a rigid limitation as to insured values. Within these limitations it is the WSA's desire to offer as flexible and satisfactory a war risk insurance coverage as possible.

Conceding that there had been some delay in the issuance of policies in the early stages of WSA's insurance operations, he said that he felt the matter is now under control and that "we should be able to provide policies promptly enough to meet with reasonable banking requirements." He stressed the danger of including the steamer's name in the telegraphic order binding the insurance, saying that doing so might result in a vessel being sunk.

Continuance of Coverage Available

WSA is prepared to furnish at an additional premium continuance of coverage beyond the customary 15-day limit at transshipment ports and further to provide in the event goods are discharged at an intermediate port other than port of destination the insurance will remain in effect until the assured has had a reasonable opportunity to forward the goods to their intended or substituted destination or to dispose of them at the port of landing. In connection with this extended coverage at transshipment ports WSA has had a number of requests to insure against costs incurred by the shipper or consignee as a result of this discharge but that while these requests have been given careful study it has not been felt possible to develop a sound basis for providing such insurance which would be consistent with the administration's policies.

Answering a question from the floor, Mr. Chubb said that the meaning of



AT ANNUAL MEETING OF NATIONAL BOARD IN NEW YORK:

W. E. Mallalieu, general manager; Wilfred Kurth, chairman of finance committee of Home; B. M. Culver, president of America Fore, and H. V. Smith, president of Home. It was Mr. Kurth who made the announcement of the desire of Home to return to the National Board. Mr. Smith was elected a member of the executive committee.

One Insurance Law Group Cancels Meeting; Another to Hold 1942 Session

The Federation of Insurance Counsel will not hold its 1942 annual meeting. Secretary John A. Millener, Rochester, N. Y., explains that this carries out the opinion of members expressed at the 1941 convention. The federation has 22 members in military service, and many members have indicated they will spend the 1942 convention expense money on war bonds.

The insurance section of the American Bar Association will hold its sessions at the same time as the parent body in Detroit, Aug. 24-26. This meeting has been shortened one day because of war conditions. Officers and counsel of the insurance section will meet April 23. There will be a general session for the insurance section April 24 in the afternoon, a round table April 25, and a general session again Wednesday afternoon. C. F. Robinson, Portland, Me., is section chairman.

WSA's provision that goods must be shipped or in transit within 30 days of the binder date means that they must be on their way to their final destination and not just moved from one warehouse to another. If goods were delayed on the rail journey to the port of departure and failed to make the intended sailing the coverage would still apply but if the shipper knew that he could not get a ship and just sent the goods out to get them on their way the 30-day rule would apply.

Asked whether there might be any development of a more automatic type of coverage Mr. Chubb expressed doubt, though conceding that there might be a possibility in connection with high priority cargoes.

Gain of 300% in Auto Premiums

In the last 20 years there has been a gain of 303 percent in automobile insurance premiums, according to comparisons of totals from the annual Automobile Numbers of THE NATIONAL UNDERWRITER. There has been considerable change in company classifications since 1921 which makes direct comparisons by classes erroneous. The mutual figures are difficult to compile as many

Nelson Resigns Post in Ill. Department; Kinney and Parkinson Advanced

R. T. Nelson, chief deputy of the Illinois department for the past eight years, has resigned, but he will remain with the department for the time being in order to complete certain studies.

N. P. Parkinson of Decatur, who for the past year has been assistant director of insurance, has been advanced to become chief deputy, and Clarence M. Kinney of Chicago, has been advanced from special deputy to assistant director.

Mr. Parkinson will serve in the general administrative functions of the department, and particularly in the conduct of formal hearings which have increased in number to the extent that a second hearing officer is required. Mr. Kinney, in addition to his new duties, will continue to superintend the activities of the rating division including the filing of rates in the fire and motor vehicle branches.

of them operate in a restricted area. The 1941 mutual reports are the most complete ever published but as there were three times as many mutuals reported upon in the 1942 Automobile Number as in 1922, it is possible that a number of smaller mutuals writing business in 1921 were not included at that time. It is interesting to note that the reciprocals wrote more automobile business than either the full cover or mutual companies in 1921.

	1921	1941	Pct. Inc.
Stock Fire...	\$2,118,853	\$277,231,756	284
Full cover...	11,102,161	53,539,738	382
Stock Cas...	92,215,001	294,416,593	222
Mutuals...	12,953,074	162,343,935	1160
Recip...			
Lloyds...	16,410,710	44,452,538	170
Total...	\$204,799,799	\$831,984,560	303

California Directors to Meet

OAKLAND, CAL.—The directors of the California Association of Insurance Agents will meet here June 20-21. The final day's sessions will be open to invited representatives of various company organizations and field men's associations. Association members in Oakland and vicinity are also being urged to attend these sessions.

Have you seen the Insurance Buyers' Digest? Leading agents are mailing it out every month to stimulate business. Write The National Underwriter for sample.

THIS WEEK IN INSURANCE

Plan of operation of War Damage Corporation has now been given final approval and agents and brokers may now proceed to sell this insurance. **Page 1**

Return of Home group to membership in National Board is feature of the annual meeting of that organization in New York. **Page 3**

Texas board of insurance commissioners is requiring all companies to make an affidavit as to commission payments in the state and also prescribes an expense formula to be used in determining rates. **Page 2**

Federal land and marine war risk insurance to be dovetailed to eliminate laps and overlaps. **Page 2**

Movement is launched to expand the scope of operations of Factory Association of Hartford to a nation-wide operating basis. **Page 3**

American Management Association insurance conference sets new high in attendance records. **Page 19**

Virginia Association of Insurance Agents elects C. D. West, Jr., president at annual convention. **Page 10**

Put Squeeze on Expense Elements

Texas Requires Insurers' Affidavit on Commissions—Prepare Formula

Being "concerned over the increase in expense reported by insurance companies in writing fire, windstorm and automobile insurance; in some cases, the commissions being paid to local agents amounting to 40 percent of the premium," the board of insurance commissioners of Texas has ordered all companies and general agents to furnish the board not later than June 23, an affidavit on form prescribed, stating the percentage of premium dollar to be paid, or contracted to be paid, on and after June 30, to their local agents on fire, windstorm, automobile and workmen's compensation insurance. "If commissions paid, or to be paid, vary among a company's agents, then such company shall furnish the board a list of all its agents and percentages paid to each of them."

The insurance commissioners board states if existing rates permit the payment of commissions in "excess of those found to be just and reasonable, it is manifest that such rates are too high and that the interest of the insuring public requires a reduction in such rates. Further attention is called to the tendency of other items of expense to increase. Wherever such increases are determined to be unwarranted, adjustment in the rates will be made."

Expense Formula

Pointing out that the laws of Texas charge the board with "determining, fixing, prescribing and promulgating just, reasonable and adequate rate of premiums to be charged," the board has tried to ascertain what constitutes reasonable expenses and having compiled such data and information, has determined the expense elements in the rating formulae for each class of insurance over which it has jurisdiction and has released the expense formulae to be used until further action of the board is announced.

The savings resulting from the adoption of reasonable and adequate expense elements, including commissions to agents, will be taken into consideration in determining the rates to be charged the insuring public at the rate hearing which will be held in Austin June 23.

Expense Formula for Fire Insurance

General administration expenses, including salaries, rents, depreciation, maps, telegrams, telephone, postage, printing, advertising, and all other home office expenses, 12 percent.

Field supervision, including salaries and expenses of field supervisory force (excluding general and local agents' commissions), 5 percent.

Inspections, surveys, reports, bureaus and forms, 2 percent.

Taxes—amount paid on Texas business, including maintenance taxes for state fire insurance department, state licenses, fees and social security taxes, 5.25 percent.

Commission to local agents, based upon the normal premium, 20 percent. Total, 44.2 percent.

Windstorm Insurance

General administration expenses, 11 percent.

Field supervision, 2.25 percent. Inspections, surveys, reports, bureaus and forms, 1.5 percent.

Taxes, 5.25 percent. Commission to local agents, 25 percent. Total, 45 percent.

Automobile Physical Damage

Administration, 9.8 percent. Acquisition or commission, .25 percent.

Unallocated claim, field supervision, and bureau and inspection expenses, 5.2 percent.

Taxes (state 4.25, federal .5, miscellaneous .5), 5.25 percent. Total, 45.25 percent.

(CONTINUED ON PAGE 29)

Move to Change Setup of the "Factory" Groups

Hartford Association Is Authorized to Operate Nationwide

At a special meeting of members of the Factory Association of Hartford in New York authority was given to place the organization on a nation-wide operating basis. This significant step was taken following deliberations that had been continuing for more than a year on the part of a subcommittee of the executive committee of the Insurance Executives Association headed by W. R. McCain, president of Aetna Fire.

The idea of providing a greater degree of nation-wide uniformity in the handling of insurance on superior properties has been given impetus by the war effort.

Visualize Nationwide Group

Just what the pattern of future operations is intended to be was not made clear. One suggestion is that there be just one factory association for the country with a western division in Chicago and a Pacific Coast division at San Francisco. At present the Factory Association of Hartford confines its interests to the eastern and southern states. The Western Factory operates in the middle west and the Pacific Factory on the coast. Each of these three organizations has a different constitution, has different underwriting scope and limits and the company participation varies in each of the organizations. A great deal of work would be involved in harmonizing all of these differences and producing a setup of national uniformity.

The Factory Association of Hartford was formed in 1890 and has a membership of 73 companies. The Western Factory consists of 103 companies and the Pacific Factory of 111 insurers.

Names N. Y. War Damage Group

NEW YORK—As an advisory committee to assist in the placing of war damage insurance upon state properties, Superintendent Pink of New York has named Murray L. Watt, special counsel of the department; W. J. Reynolds of Corroon & Reynolds; H. R. Waite, president of Agricultural; Russell Carson, Glens Falls, former president New York State Association of Local Agents; A. J. Smith, president New York Board of Fire Underwriters; Thomas Sweeney, president Insurance Federation, New York City, and M. L. Nathanson, vice-president Brooklyn Insurance Brokers Association.

National Board Awards Radio, Newspaper Medals

NEW YORK—The "Berkshire Evening Eagle" of Pittsfield, Mass., and Radio Station KFBK of Sacramento, Cal., are the first winners of the \$500 gold medals awarded by the National Board for meritorious public service in the advocacy of fire prevention and protection.

Presentation of the medals by John M. Thomas, vice-president of the National Board, was one of the highlights of the



luncheon here at the conclusion of the board's annual meeting.

In accepting these awards, L. K. Miller, publisher of the Pittsfield paper, and H. J. Greig of Station KFBK, requested that in lieu of the medals they be given the cash equivalent for donation to chapters of the Red Cross and USO. Mr. Thomas stated that checks would be forwarded to them promptly and that, in addition, arrangements would be made to furnish them with replicas of the medals.

Award to Pittsfield Paper

The Pittsfield paper won the award because "its columns have consistently featured and thereby stimulated the varied activities of the fire department, the interest of the city administration, the competitive zeal of labor, particularly during clean-up week, and the prominent part in fire prevention played by the public school system," the judges held.

KFBK was selected because "its many programs during the past year provided striking examples of cooperation with various fire departments throughout the Sacramento Valley, particularly through the reenacting of causes, methods of fighting and heroism that revolved around local fires." In addition, the station has been especially successful in enlisting audience reactions and participation in fire prevention programs, as well as stimulating discussion of the subject before local clubs and civic organizations of every kind.

Other Awards Made

Honorable mention went to the Coos Bay, Ore., "Times," Shelbyville, Ind., "Democrat & Republican," and Camp Point, Ill., "Journal."

Honorable mention was also accorded Station WBZ, Boston, WGAR, Cleveland, WGN, Chicago, WSM, Nashville.

The judges were James W. Brown, president of "Editor and Publisher"; James L. Fieser, American Red Cross; Albert W. Hawkes, then president U. S. Chamber of Commerce, and Alvah Small, then president National Fire Protection Association.

The medals were executed by Rene Chambellan, noted sculptor.

Williams Slated for the Presidency

It seems a foregone conclusion that John Sharp Williams, III, insurance commissioner of Mississippi, will be elected president of the National Association of Insurance Commissioners at the meeting next week in Denver succeeding Commissioner Hobbs of Kansas. Mr. Williams is vice-president and was formerly chairman of the executive committee. Mr. Williams was born June 2, 1892, at Yazoo City, Miss. He attended the University of the South at Sewanee, Tenn., and Massachusetts Institute of Technology. He became a local agent. He served four years as chairman of the insurance commission of Mississippi, being for two terms its president. He is a former executive secretary of the Mississippi Association of Insurance Agents and has served six years as insurance commissioner.

Following the usual procedure Commissioner Harrington of Massachusetts will likely be the next vice-president.

A number of the friends of Commissioner McCormack of Tennessee are booming him for chairman of the executive committee. Zone 4 is demanding representatives on the executive committee and so far Commissioner Johnson of Minnesota seems to be the favorite for that place.

Massachusetts to Waive State Laws As War Measure

BOSTON—Governor Saltonstall, exercising his special war emergency powers, has issued an order permitting the insurance commissioner to waive all state insurance laws which may conflict with the issuance of insurance policies under the war department insurance rating plan.

The commissioner, according to the ruling may permit upon request of the U. S. government, or by any department or agency thereof, any insurance company lawfully transacting business in the state to conform with and to issue insurance policies in accordance with the war insurance rating plan in connection with "cost plus a fixed fee" contracts on projects whose cost is borne by the U. S. government or by any of its agencies.

The existing laws, says the governor's order, shall not be deemed to prohibit or otherwise affect any action permitted by the commissioner pursuant to this order.

J. R. Gregory of the promotion department of the Rough Notes Co., has been elected secretary of the Indianapolis Junior Chamber of Commerce.

Home Group Returns to National Board

Announcement, Coming as Surprise, Was Feature of Annual Gathering

NEW YORK—The Home group again holds membership in the National Board. The announced willingness of those companies to rejoin the organization, as expressed on their behalf by



R. P. BARBOUR

Board Chairman Wilfred Kurth, "pinch-speaking" for President Harold V. Smith, and the promptitude and unanimity of their election, featured the proceedings of the annual meeting here.

The rapprochement was made all the more cordial by the election of Mr. Smith as a member of the executive committee. While overtures to induce the return of Home to the National Board fold, from which it withdrew because of differences in policy more than eight years ago, were made from time to time, they proved unavailing until the war situation developed. The desirability today of close unity within the industry and the need for presenting a united front in aiding the government in its program induced the Home administration to overlook past differences and again to join forces with their former associates.

Important as was the move by Home, so carefully guarded was the secret that no hint as to what was intended leaked out. Even President R. P. Barbour, as presiding officer, confessed his surprise.

(CONTINUED ON PAGE 24)



GLIMPSES AT ANNUAL MEETING OF NATIONAL BOARD IN NEW YORK:

L. H. Pink, New York insurance superintendent; A. Duncan Reid, former president of Globe Indemnity; three Corroon & Reynolds executives—J. R. Barry, W. J. Reynolds

and R. A. Corroon; three assistant U. S. managers of Northern of London—Earl D. Patton, E. A. Clark and W. M. Houston.

No Enemy-Directed Sabotage in U. S. as Yet

Officials of the government have stated that there has been no enemy directed sabotage in this country to date, the committee on incendiaryism and arson reported at the annual meeting of the National Board in New York. Moreover, the committee stated that it does not know of any incendiary fire in an industrial plant in this country since the declaration of war except one or two abortive attempts which did no damage, by persons of unbalanced mentality.

The experience in Canada and in England during the present war and in the United States during the last war indicates that there is little to fear in this direction, the committee stated.

A large increase in employment and the comparatively high average earnings together with the increasing value of commodities of all types has tended to lessen fires for profit. War activities in industry in some measure have created conditions which have brought about incendiary fires, as, for instance, filling stations and garages where the proprietors have been called to service or where the inability to operate profitably has set the scene for fire. Roadhouses and similar places with patronage depending upon the availability of tires and gasoline, are possibly now more hazardous than ever. Among the classes of risks which perhaps invite special attention are resort hotels, vacation boarding houses, etc. There may be an increased

vacation business for interior and mountain resorts possibly at the expense of seaside places and tourists cabins. However, so far the number of incendiary fires is believed to have been somewhat below normal and the effect of war conditions to date has been to lessen rather than to increase cases of arson.

With changing conditions it is necessary frequently to reexamine risks in the light of current developments.

The agents of the committee form the only nation-wide force of investigators especially trained and experienced in arson work. The services of this organization without cost were tendered to the U. S. Attorney General who noted it for possible future use.

The agents are cooperating every day with government agencies in the investigation of reported incendiary fires and in aiding in clearing up the facts which have led to such reports.

Many lectures have been given to groups of civilian defense workers, auxiliary firemen, trainees, state and county officials and others.

During the year agents investigated and submitted reports on 2,481 fires of suspicious origin, 204 less than during the preceding year. There were 602 arrests, 400 convictions and 63 acquittals in proceedings instituted by public officials after investigations in which National Board agents participated.

The facts were set forth in a number

of the most noteworthy cases of the year and with reference to a suit for malicious prosecution brought against the National Board, certain of its member companies and police officers in Morristown, N. J., by James H. Bolitho. The damages sought totaled \$800,000. After a trial lasting nearly a week and a half the judge at the conclusion of the plaintiff's testimony directed the jury to bring in a verdict of no cause of action. The defense of this suit was expensive and although it could have been compromised for a comparatively insignificant sum it was so entirely without foundation and had been publicized so widely the committee felt that any compromise was unthinkable. The committee believes that the result will have a salutary effect in discouraging similar unfounded suits. W. R. McCain of Aetna Fire is chairman of the committee.

Actuarial Bureau Report

The actuarial bureau committee told of relief that had been gained by eliminating certain requirements as to the sending of adjusters loss reports. Until recently the committee received an average of 3,100 adjusters loss reports daily concerning which it addressed nearly 16,000 inquiries per year to companies. Investigation disclosed that 63 percent of these reports involved claims amounting to less than \$50 and that these claims in the aggregate represented less than 4 percent of the total amount of losses paid. The committee voted to authorize discontinuance of reports and uncriticized losses in amounts of less than \$50 provided arrangements could be made in those states where the bureau has assumed responsibility for advising the fire marshal of all individ-

Bell and Dalbey Head S. D. Field Organizations

SIoux FALLS, S. D.—The South Dakota Fire Underwriters Association held its last meeting until next fall here Tuesday and elected the following officers: President, Arthur J. Bell, Sioux Falls, Hartford Fire; vice-president, Walter Moore, Aberdeen, North British & Mercantile; secretary, L. G. Spies, Sioux Falls, North America. On the executive committee E. H. Waltman, Sioux Falls, Royal, was elected for one year and L. C. Johnson, Aberdeen, Anchor, and C. E. Dana, Sioux Falls, Home, were elected for two years. N. P. Wenge, Aberdeen, St. Paul F. & M. and Virgil Stegner, Sioux Falls, Orient, were held over from last year.

The South Dakota Fire Prevention Association held its meeting the same date and place and elected the following officers: President, C. P. Dalbey, Northwestern Fire & Marine; vice-president, C. E. Dana, Home; and secretary, Jack Krug, America Fore.

ual losses experienced by member companies. Necessary permission was obtained in all but three states.

Since March 7 when the change was made, the average daily number of adjusters loss reports has dropped to about 1,800 and the number of inquiries to companies has been reduced to a monthly average of about 100.

A revised form of adjusters loss report will shortly be issued.

This year for the first time tabulations showing the consolidated underwriting

(CONTINUED ON PAGE 9)

Pink Suggests Renewal Certificate Forms for Fire Insurance Lines

Renewal Certificate No.
renewing

Policy No.

VALUABLE—DO NOT DESTROY
ATTACH THIS CERTIFICATE TO YOUR
POLICY.

THE IDEAL FIRE INSURANCE COMPANY 61 MAIN STREET, NEW YORK

IN CONSIDERATION of the premium stated herein, the policy numbered hereon, subject to all of its Agreements, Provisions, Conditions, Limitations and Endorsements attached thereto, is hereby continued in force for the period stated.

Name of Assured

Description and location of property insured (unless contained in form attached).....

ITEM	COVERS	CONSTRUCTION	ROOF	AMOUNT	RATE	PREMIUM
------	--------	--------------	------	--------	------	---------

Distance from hydrant.....ft.; from Fire Station.....miles; Fire District or Fire Station of.....

Occupancy.....No. of families.....Floor occupied.....

Policy is continued in force for a term of.....years from the.....day of.....

at noon, to the.....day of.....at noon.

Loss, if any, payable to.....

Co-insurance.....%

Title and number of form.....

It is further agreed that during the period of this certificate the following agreements, conditions or limitations shall apply to the insurance afforded by said policy in addition to those expressed therein:

If during the period insurance is in force under said policy (i. e., as stated therein and as continued by certificate), the Company's applicable rules and rates, the policy, or any authorized endorsements attached thereto, are revised so as to extend or broaden the insurance afforded by said policy without additional premium charge, such extended or broadened insurance shall inure to the benefit of the insured hereunder as and from the date such extended or broadened insurance is so made effective by the Company. This certificate is issued subject to the Company's applicable rules and rates in effect as of the date said policy is continued in force as aforesaid.

This certificate shall be attached to and is made a part of said policy but nothing herein contained shall be held to vary, waive, alter or extend any of the terms, conditions, agreements or declarations of said policy, or any endorsement, other than as stated herein.

IN WITNESS WHEREOF, this Company has executed and attested these presents; but this certificate shall not be valid unless countersigned by the duly authorized Agent of this Company at.....

Secretary

President

Countersigned this.....day of.....19.....Agent

Above are reproduced two forms of renewal certificates for fire insurance that have been fashioned by Superintendent Pink of New York. Copies have been sent to the companies for study and a hearing will be held on the subject later. There is a sharp difference of opinion on the proposal.

RENEWAL CERTIFICATE

Renewal Certificate No. renewing Policy No.

THE RENEWAL INSURANCE COMPANY OF NEW YORK

(The available space in the upper part of the Daily Report copies of the Renewal Certificate not needed for large display of Company's name and device may be rearranged at the option of the Company for Home Office purposes such as reinsurance, mapping, coding and other information.)

IN CONSIDERATION of the premium stated herein, the policy numbered hereon, subject to all of its Agreements, Provisions, Conditions, Limitations and Endorsements attached thereto, is hereby renewed and continued

in force for a term of.....year(s), from.....(noon) to.....(noon)

Assured.....

Location of Property.....

Fire Amount \$.....Rate.....Premium \$.....Total

Extended Coverage *.....\$.....Premium \$.....

*No insurance attaches in connection with Extended Coverage Perils unless "Rate" and "Premium" is specified above.

Loss, if any, payable to.....

Coinurance.....%

If during the period that insurance is in force under said policy (as continued by Certificate), the Company's applicable rules, or said policy, are revised so as to extend or broaden the insurance afforded by said policy without additional premium charge, such extended or broadened insurance shall inure to the benefit of the assured hereunder.

IN WITNESS WHEREOF, this Company has executed and attested these presents; but this Certificate shall not be valid unless countersigned by the duly authorized Agent of this Company at.....

(Name of Company and facsimile signatures of President and Secretary)

Countersigned this.....day of.....19.....Agent.

(The above in short form to be given to Assured)
(The daily report copies, in addition to above, to contain substantially the following)

ITEM	COVER	AMOUNT	RATE	PREMIUM
------	-------	--------	------	---------

Description of Building, Construction.....Roof.....No. of families.....

Occupancy.....Floor occupied.....

Information re protection and fire district.....

Number, title or description of endorsement form and special clauses.....

(Other information as may be required by company)

All your customers will want details about the

WAR DAMAGE INSURANCE PLAN

So be sure to send them copies of the special
War Damage Edition of the Insurance Buyers' Digest

COMPLETE DETAILS which every one of your policyholders should have and will want are contained in the Special War Damage Edition of the Insurance Buyers' Digest which is now ready for immediate distribution.

Carefully compiled information regarding the War Damage Corporation's program is presented in this special edition along with complete data on rates, coverage, etc.

Not only will every one of your customers be interested in this information but by sending out this complete explanation immediately while the news is still "hot" you'll show your policyholders that you are really on the job to serve them.

The Insurance Buyers' Digest has four 6x7 inch pages. The back page is left blank in case you wish to imprint it or mimeograph your own message but it isn't necessary. The Digest folds to fit a small envelope so that it is easy to mail out. It is a handy, concise little publication and dur-

ing its first six months of publication it has been very popular with agents and their customers.

The Special War Damage Edition is devoted exclusively to that subject. The data is compiled by the editorial staff of The National Underwriter. However, the material is presented so that it gives the impression that you compiled it yourself.

Facts are presented in this special edition so the reader can get a clear picture of the situation. Readers are urged to get additional information from their insurance agents so that it ties in closely with your service.

It will pay you to order a liberal supply of these copies at once so that you can blanket your city with copies. Orders will be shipped promptly and we can ship yours by special delivery if you wish.

Distribution of this special edition provides you with an unusual opportunity—so take advantage of it at once by mailing your order right now!

NATIONAL UNDERWRITER

175 W. Jackson Blvd., Chicago, Ill. 1942

Rush us copies of the Special War Damage Insurance Edition of the Insurance Buyers' Digest costing \$ () Ship Special Delivery which costs 25c extra.

Signed

Address

City State

PRICES OF SPECIAL EDITION

75 copies . . \$2.25	600 copies \$13.50
100 copies . . 3.00	700 copies 15.38
200 copies . . 5.25	800 copies 17.25
300 copies . . 7.50	900 copies 19.13
400 copies . . 9.75	1,000 copies 20.63
500 copies . . 11.38	Over 1,000 copies at rate of \$1.50 per 100 additional.

Change to Alcohol Production May Increase Hazards

LOUISVILLE—Increased fire hazard probably will result and new regulations on distilleries will be required due to the change over from whisky to 190 proof alcohol distilling Sept. 1, George Parker, manager Kentucky Actuarial Bureau, warned companies in a letter. The letter also was sent to distilleries.

With few exceptions, the Kentucky distillers never have made anything but low proof whisky that pumps to the cistern room at 115 to 140 proof, so in changing over to high proof alcohol they will be dealing with a product about which they know little, and which because of its high volatility and explosive characteristics offers serious results when there is carelessness in its handling.

Companies and local agents after Sept. 1 can expect little new business on whisky in Kentucky or any other state. The orders from Washington require all whisky distilleries to install new equipment and run the 190 proof grain alcohol for the government. There may be times when storage is full and the government calls a halt, when the distillers will be able to make some whisky. However, reports indicate material for barrel hoops will not be available.

Not Equipped for Alcohol

Previously distillers in Jefferson county made four day test runs of low proof spirits or high wines to be sent to other companies for redistillation into 190 proof alcohol. Few Kentucky distilleries have alcohol equipment, and due to scarcity of copper, could not install it. However, the distillers advisory committee, working with OPM, has developed inexpensive additional equipment that can be made up from material available, which will do the job.

Manager Parker in the letter stated WPB contemplated removing a number of stills from idle rectifying plants on the Pacific Coast to plants in Kentucky, and other changes of whisky plants to produce alcohol.

He called attention to the fact that in alcohol production processes are used not normally encountered in making whisky, such as holding large quantities of alcohol in tanks on distillery premises. Likewise there may be addition necessary that may be of construction that would increase fire hazard. Then too, 190 proof alcohol is far more volatile than the low proof whiskeys. There is an increased hazard in denaturing alcohol and in pumping it into tank cars.

Bureau Ready to Help

The bureau, realizing that many changes will be made in whisky distilleries, has asked the distillers to notify the bureau before making changes, and to permit its engineers to assist in seeing that equipment installed is safeguarded as much as possible. It is realized that once building additions are completed and equipment installed it is difficult to make changes. The bureau is concerned not only about the still houses, but the nearby warehouses containing large quantities of high priced, insured and maturing whisky.

Opportunities in Glider Field

NEW YORK—The Army's announcement of an extensive training program for glider pilots opens up possible insurance angles, as a considerable amount of Army primary pilot training is done by civilian flying schools under contract. These schools are required to carry public liability and property damage insurance. It is not yet clear just what the insurance arrangement will be for glider pilot students.

Washington O. K.'s Auto Renewal Form Says Merchants Are Creating More Fire Hazards

SEATTLE—Commissioner Sullivan has issued an order legalizing automobile renewal certificates. Coincidentally, he eliminated the clearance of renewal certificates through the Washington insurance examining bureau on risks where there is no change in coverage involving a single commercial, private or public vehicle. Differences in renewal premium resulting from application of field rating schedules are not considered as change in policy conditions.

Commissioner Sullivan said the department has been giving consideration to the request of many companies in an attempt to relieve them of burdensome details. The department has recognized that "companies generally must effect savings in the handling of business because of the shortage of personnel brought about by the war emergency."

Must File Renewal Form

Companies desiring to use renewal certificates must file the form with the department and the form must contain the following minimum information: Original policy number, name and address of assured, term, itemization of coverages and itemization of premium.

Fleet or schedule policies, garage liability, non-ownership, comprehensive liability, etc., will have to clear the examining bureau under usual renewal policies, or, if certificates are used, they will have to bear all information that would be shown on a new daily report.

The ruling warned that companies will keep in mind that any change in policy conditions affecting coverage, rate or form of insurance during the term of the policy which has been extended by renewal certificates, will have to be cleared through the examining bureau under usual endorsements.

Singapore Manager Talks

LOS ANGELES—Frank T. Wyckoff, for 12 years manager of the Singapore branch of American Foreign Insurance Association, told the Southern California Fire Underwriters Association how insurance was conducted in southeast Asia before the Japanese overran that area. In Maylasia the English standard policy form prevailed, but in the Netherlands East India there were three policies, the English, Netherlands East India (NEI) and Amsterdam bourse policy, which might be found written in English, Dutch, Malay, Chinese or other languages. There were no professional insurance agents in Maylasia, most of the business being done through larger business firms' insurance departments.

An executive of one of the large wholesale houses dealing in general merchandise in an interview with THE NATIONAL UNDERWRITER gave it as his opinion that fire insurance companies are not cognizant of the condition in many stores, both in smaller and larger places. He states that many establishments have been purchasing goods ahead of time in order to have a supply on hand if there is rationing and furthermore to take advantage of the price. These purchases were made before the ceiling program was put into effect.

He has had a number of stores inspected largely for the purpose of ascertaining what additional hazards are shown and also to find out their insurance situation. He said in substance:

Quantities of Goods Stored

"I was astonished to get the reports on many mercantile establishments showing large quantities of goods stored in basements with only a very narrow aisle between cords of goods piled from the floor to the ceiling. Much of this stuff is flammable and seemingly there have been no precautions taken now that the danger is far more acute than it formerly was.

"I was amazed that the merchants did not take to heart the new situation and initiate measures for better protection. For instance, in most stores there is a chute reaching to the basement through which waste paper is sent down. In many cases the bin in which it lodges is near the goods. Bailing of this paper is done right near merchandise.

"Our investigators are convinced that in a number of cases the merchants have not increased their insurance to any great extent to cover the added stock which they had bought. They are very negligent in this respect or they are willing to take long chances. Many of them do not appreciate the fact that a fire of any consequence would put them permanently out of business because they could not have their buildings restored at once and probably would have a difficult time to secure goods.

"Our investigators believe that many of them do not appreciate the need of use and occupancy insurance and, in fact, getting full cover for every possible hazard during these uncertain times. It occurs to me that the insurance companies should be alert to this situation and have inspection made without delay. The merchants in crowding their own basements and other spaces evidently are desiring to save warehouse expense. Therefore, merchandise is jammed in every conceivable place.

"This has nothing to do with the sub-

Illinois District Rallies of Agents Are Being Held

All regions in Illinois are responding to the call of Eugene F. Engelhard, executive vice-president Illinois Association of Insurance Agents, for district meetings within their regions. W. P. Brown, vice-president; L. L. Hauser, assistant vice-president, of region 5, and G. L. Hubbard, state agent Boston and Old Colony, all of Peoria, announced June 9, 10, 11 and 23 as the dates for district meetings in their region. The meetings will be held in Peoria, Canton, Macomb, Pontiac and Bloomington. The program is practically completed and further announcements of dates for meetings will be forthcoming.

District meetings for region 2 headed by Merle A. Read, Joliet; region 3, headed by James J. Beattie, Rockford, and region 6, headed by Caspar H. Brown, Springfield, will be announced next week. All agents are welcome.

Mandatory Rate Bill in La.

A bill to make fire and windstorm rates on all property in the state mandatory has been introduced in the Louisiana legislature. Under the present law mandatory rates apply only to private property. This bill includes public property as well. A similar bill was passed by both houses of the last legislature but was vetoed by the governor.

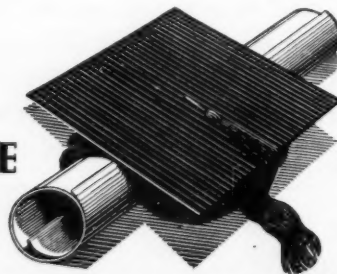
A. K. Taylor to Bogota

NEW YORK—A. K. Taylor, director in charge of public relations for the C. V. Starr organization, including American International Underwriters and United States Life, has been assigned to the Bogota, Colombia, branch office. He will assist William Ryan, manager of the Bogota office.

ject at hand but we have noticed in our line that a number of the small merchants are going out of business. Some find it very difficult to make the grade, perhaps being unable to get sufficient goods. Then the draft has hurt a number of them especially when a man older in years is the head of the establishment and has associated with him a son or some relative or a young man who is close to him and who is looking forward to become part of the business."

In some cases it has been found that where a retailer has exhausted his supply of available space for storing goods he has rented an attic in some building or a loft. This adds also, of course, to the fire hazard. Owing to the priorities system it is impossible to get material to better safeguard stored merchandise in such places.

BACHELOR OF INSURANCE



cum laude

Here's a company that's on its 102nd lap—and still single. Here's a Century-Old Stock Company that co-operates with all the organizations in the business—but belongs to no group or fleet and has no mate. • Yes, Camden Fire is all alone—but not lonesome! Thousands of Agents pay court to our Modern Streamlined Advertising and award to Camden Fire the degree of B. I. —Bachelor of Insurance *cum laude*!

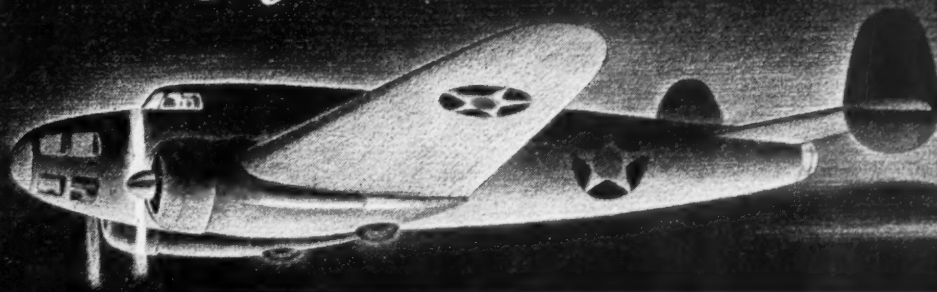
Camden Fire Insurance Association • Camden, New Jersey

A CENTURY-OLD CAPITAL STOCK COMPANY



AD 1841

Bomber Wings from a 'Borrowed' Plant



THE WINGS OF A PLANE are not simply built. Each powerful spread flies aloft with 1,200 aluminum parts held fast by 20,000 rivets, washers and fasteners. To speed up manufacture and assembly of these many intricate parts, an automobile body maker readily "loaned" its huge woodworking plant. With lightning speed a complete re-tooling job produced 750 hand riveting guns, 230 squeeze riveters, 800 drills and large quantities of jigs and fixtures. Now bomber parts speedily flow from a plant that once fabricated auto bodies. This story illustrates how speedily the most indispensable of all products—INDUSTRIAL TEAMWORK—is being developed to its highest efficiency. Insurance strives, as always, to keep INDUSTRIAL TEAMWORK going!

INSURANCE Aids Industrial Teamwork



Just as a pilot and a plane protect the nation's defenses, Insurance sleeplessly watches over its property assets. To minimize the threat of hazard, it plans against and avoids many perils that

might cause financial disaster, and is ready to recoup losses that occur inevitably. Insurance reserve dollars, a prop to industry, are widely invested, becoming bone and muscle to the ramparts of production.

★ THE HOME ★
Insurance Company
NEW YORK

FIRE ★ AUTOMOBILE ★ MARINE INSURANCE



Oregon Agents Candidates for Senator and Governor

Two prominent Portland, Ore. insurance men are running for high office in that state this year. W. W. Whitbeck, who is the Democratic nominee for United States senator, will oppose Senator C. L. McNary, Republican. Mr. Whitbeck went to Oregon in 1910. He entered the insurance business in 1924 with the Continental Casualty and has been with that company ever since. He represents other companies in his office.

Lew Wallace of Portland is on the Democratic ticket for governor. He is opposed by Earl Snell, present secretary of state, who is finishing his eighth year in that office. Mr. Wallace was born in Furnas county, Nebraska, and graduated in law at Creighton University. He went to Portland and entered the life insurance business in 1910 being an agent of the Canada Life and still represents that company. He has been active in civic and political affairs. He was formerly a member of the house. He was a member of the Oregon state game commission and in November, 1938, was appointed to fill the vacancy left in the state senate by the resignation of Senator W. D. Bennett. He was reelected in 1940.

Seventy Year Veteran

Benjamin B. Schieble of Schieble Brothers local agency at Dayton, O., will round out 70 years in the insurance business this year. He started in 1872 and founded the Schieble Brothers agency in 1875. At one time there were five brothers connected with the agency. He is the sole survivor.

Mr. Schieble is now 86 years old but is still active in the business. He goes to work every morning at four o'clock, a custom he has followed for many years.

Obrecht, Hamilton on Board

At the quarterly meeting of the Inter-Ocean Reinsurance E. D. Obrecht, vice-president of Inter-Ocean and John T. Hamilton, II, vice-president of the Merchants National Bank of Cedar Rapids, were elected directors.

Wallace in W.S.R.A. Group

In giving the names of the executive committee of the Western Sprinkled Risk Association, which was recently reelected, the name of William Wallace, vice-president Pacific National Fire, was inadvertently omitted.

Predicts Drastic Auto Cut

TORONTO—A large oil company here estimates that under the new tire restrictions in Canada, one-third the automobiles now in use will be off the road by the first of next year. It predicts that by Jan. 1, 1944, all but 20 percent of the cars will be off the road, and by July 1, 1944, all cars will be out of service excepting those which are privileged for new or used tires.

Convention Dates

June 3-4, Missouri Fire Underwriters Association, Lake Taneycomo, Rockaway Beach.

June 3-4, Kentucky field men, Mammoth Cave, Ky.

June 5, Bureau of Personal Accident & Health Underwriters, New York City, Hotel Pennsylvania.

June 8-10, Insurance Commissioners, Cosmopolitan Hotel, Denver.

June 8, Minnesota Insurance Federation, Minneapolis.

June 9, Ohio Fire Underwriters Association annual meeting, Columbus.

June 10-11, Insurance Federation of Pennsylvania, Pittsburgh, William Penn hotel.

June 11-12, South Carolina Agents, Columbia, Columbia Hotel.

June 11-13, National Association Independent Insurance Adjusters, St. Louis, Coronado hotel.

June 12, Iowa field meeting, Des Moines.

June 15-17, Southeastern Underwriters Association, Hot Springs, Va., Homestead Hotel.

June 16, Connecticut agents, mid-year, Hartford, Hartford Golf Club.

June 18, Illinois Farm Insurance Agents Association, Peoria, Jefferson hotel.

June 17-18, Minnesota field men, Brainerd, Pine Beach hotel.

June 18-19, Illinois Fire Underwriters Association, Lake Delavan, Wis., Lake Lawn Hotel.

June 18-19, Wisconsin Fire Underwriters Association, Elkhart Lake.

June 19, Tennessee field men, Nashville.

June 23-24, Michigan Fire Underwriters Association, Onokana, Portage Point Inn.

June 24-27, National Association of Insurance Women, St. Paul, Minn., Hotel St. Paul.

June 29-July 1, National Association of Accident & Health Underwriters, Detroit, Statler Hotel.

July 21-22, Ohio Fire Underwriters Association, Cedar Point, O., Breakers Hotel.

Aug. 13-15, Minnesota Agents, Virginia, Fay Hotel.

August 24-26, Insurance Section, American Bar Association, Detroit, Hotel Statler.

Aug. 25-27, Blue Goose Grand Nest, Toronto, Royal York Hotel.

Aug. 25-26, Utah agents, Ogden, Hotel Ben Lomond.

Aug. 26-28, Washington and Oregon agents, joint meeting, Portland, Ore., Multnomah hotel.

Aug. 31-Sept. 1-2, International Association of Insurance Counsel, White Sulphur Springs, W. Va., Greenbrier Hotel.

Sept. 3-5, Michigan Agents, Mackinac Island, Grand Hotel.

Sept. 14-15, International Claim Association, Chicago, Edgewater Beach Hotel.

Sept. 14-15, Montana local agents, Great Falls.

Sept. 15-16, Pennsylvania agents, Harrisburg, Penn-Harris hotel.

Sept. 16-17, Iowa Association of Insurance Agents, Council Bluffs, Chieftain hotel.

Sept. 17-18, Wisconsin Association of Insurance Agents, Milwaukee, Hotel Schroeder.

Sept. 18-19, Wyoming local agents, Thermopolis.

Sept. 21-22, Insurance Advertising Conference, Swampscott, Mass., New Ocean House.

Oct. 12-14, National Association of Mutual Insurance Agents, New York City, New Yorker Hotel.

Oct. 19-21, Ohio Agents, Columbus, Neil House.

Oct. 20-21, Massachusetts Agents, Worcester.

Oct. 27-28, Indiana Agents Annual Meeting, Indianapolis, Claypool Hotel.

Doubts Whether Certificate Use Would Save Paper, Time in Fire Business

Use of renewal certificates is not a new idea in fire insurance, according to John F. Gilliams, vice-president of Camden Fire. Certificates were used in Philadelphia some 40 years ago in the days of the hand-written "horse blanket" policy, but agents and brokers did not view it with favor. Mr. Gilliams does not believe it is practical today for agency use on fire business, although it can be used where the policy is written in the company's own branch or home office.

Mr. Gilliams doubts that certificate use will save paper. If generally adopted, millions of certificates will have to be printed, numbered, padded and distributed. To be practical, the certificate must at least be one-half daily report size—5½ by 8½.

The agent must go through the same motions as he does with the policy and daily reports, that is, original and two or three copies, plus copies of the form. If the latter is omitted and reference is made to form number on the copy that goes to the rating office and ultimately to the home office, this copy must be removed and the form number typed on in a separate transaction—all the more work for the agent. The stamping offices must have full information to approve or disapprove.

The home office must keep a check and separate record of certificate numbers, apart from policy numbers. This is no small task in itself. When the certificate reaches the home office it must be "matched" up with the old daily report before it can be put on the records. Daily reports, after one, three or five years of service in and out of files are often in bad shape, and if renewal certificates are used, these must be attached on top of former endorsements, mortgage clauses, extended coverage endorsements, etc.

Another suggestion has been made that certificates be used only on dwelling and furniture lines, but most dwellings are mortgaged. Lending agencies have not been consulted as to the acceptance of these renewal certificates. Mr. Gilliams pointed out, and after the agent has gone to all the work of renewing and the stamping office and home office have done their job, the certificate is very likely to be handed back by the mortgagee with a request for a policy. So it comes down to use on household furniture lines where it is not worth all the trouble and expense.

Because it is practical for casualty companies through branch office operations, there is no reason to believe it is desirable for the fire insurance business written through local agencies, he concludes.

Approve Mutual Tax Plan

The House ways and means committee has approved in principle the Treasury proposal to remove certain federal

income tax exemptions enjoyed by mutual fire and casualty companies. The Treasury will now put those recommendations into legislative form and the committee will consider the measure. Although the proposed formula is complicated, the effect is to tax mutuals on their additions to surplus and on investment income.

W. P. Winkler to Cleveland

William P. Winkler, special agent of National Fire in Iowa, has been transferred to Cleveland, under the supervision of State Agent Fred G. Bell, where he will travel the territory formerly handled by Special Agent Donald J. Neal who was recently transferred to Columbus, O.

Mr. Winkler, a graduate of Armour Institute in 1931, was with the Iowa Insurance Service Bureau for nine years before his appointment as special agent in Iowa for National Fire in 1940.

Broader Claims Practice

TORONTO—To save a great deal of unnecessary work, member companies of the Canadian Underwriters Association are reported to be adopting a general practice of not endorsing policies now in force following the recent C.U.A. decision to broaden the fire forms for dwellings. Instead, it has been decided that claims will be recognized which would be covered under the new forms, unless the losses involved are covered in toto by other insurance at the time of loss.

Mutual Companies' Meeting

The annual meetings of the Federation of Mutual Fire Insurance Companies and the National Association of Mutual Insurance Companies will be held in Chicago some time in October but definite dates have not been decided.

To Stage Ice Show for Women

ST. PAUL—An elaborate ice skating show, sponsored by the St. Paul F. & M., will be the top entertainment feature of the annual convention here of the National Association of Insurance Women, June 24-27.

Extend B. C. Rate Reductions

VANCOUVER, B. C.—The British Columbia Underwriters Association has announced the extension of rate reductions to certain classes of frame risks not previously included under the 1941 rate reduction plan.

J. E. Finke, Jr., Portland manager of Swett & Crawford, is convalescing at a hospital there following an appendectomy performed after an acute attack which occurred while he was on a weekend fishing trip to the Metolius river in central Oregon. He is recovering satisfactorily.

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LONDON

WINNIPEG, MAN.—The Western Canada Insurance Underwriters Association this year celebrates its 60th anniversary. The annual meeting has been set for June 23 at Minaki, Ont.

110 Milk St., Boston, Mass.

Agents May Now Sell Policies of U. S. Agency

(CONTINUED FROM PAGE 1)

age Corporation is issuing on its own account and separate from the general scheme.

There is a provision that the War Damage Corporation shall not be subject to the state or local laws governing the private insurance business but there is a proviso that the fiduciary agent shall not be compelled to operate the war damage plan in any territory if to do so would jeopardize its normal business. The companies undoubtedly had in mind some of the troubles that they encountered in handling the business of the Home Owners Loan Corporation through the Stock Company Association. Where the commissioners raised objection to this plan, the HOLC, it is understood, insisted that the insurance companies continue to handle the business until such time as the plan might be invalidated by the courts. That forced the companies to collide very forcefully with some of the state authorities.

There is a further provision that if the insurance companies are compelled to pay any tax or fee on account of their war damage insurance operations, they will receive reimbursement from the WDC, moreover the WDC will defend any suit at its own expense.

The minimum premium for any policy shall be \$5.

Participation Agreement

Another important part of the setup is the participation agreement. Under this agreement each fiduciary agent agrees to pay a stated percentage of whatever deficit there may be in the final windup with a maximum dollar loss. For instance, if the maximum dollar loss of a particular fiduciary agent should be \$200,000, the percentage of the deficit which it would pay would be 1 percent since that is the relation of \$200,000 to \$20,000,000 which is to be the total maximum liability of all the fiduciary agents. Each fiduciary agent is expected to take a participation that is roughly equivalent to the ratio of its premiums in 1941 to the total premiums. It is expected that companies writing about 96 percent of all the business will participate. Home of New York, it is understood, will have the largest participation or about 8 percent. The factory mutuals, it is said, have agreed as a group to take a maximum of \$600,000. The other mutual companies will take about 15 percent.

Likewise, if there should be a profit, the companies will take 10 percent. The final accounting shall be made within two years after the end of the war or by 1950 in any event.

Each Keeps the 3½ Percent

Although the companies are to participate in the net profits or net deficit on the basis of their percentage participation, each company gets to keep for its own account the entire 3½ percent fee on the business that it actually handles.

There is a provision that at the end of any year the WDC can call upon the fiduciary agents for a statement and if there is a deficit to require the fiduciary agents to pay 25 percent of it in that year. If in the next year there should be a profit, the WDC is to pay back to the fiduciary agents the amount of the net deficit of the previous year.

Although the inside of the War Damage policy resembles the different standard fire policies in appearance the only conditions which are the same as in most fire policies are those relating to loss procedure, appraisal, option of the corporation to take up or repair the property, payment of loss, suit against the corporation, subrogation, waiver and the provision that the policy shall be void if the assured has wilfully concealed or misrepresented any material fact or circumstance concerning the insurance, its subject or the interest of

the assured, or in case of any fraud or false swearing by the assured.

Losses are payable within 60 days after the amount has been ascertained. This answers the prominent question of whether losses will be paid immediately in cash, or deferred for the duration of the war, as is done in England in all cases except where immediate reconstruction is in the public interest or the assured can show undue hardship. Some of the companies writing war risk insurance privately have made considerable selling capital out of the suspicion that War Damage Corporation might hold up loss payments.

No Consequential Coverage

The first provision in the conditions restricts liability to the actual cash value of the property and the interest of the assured at the time of loss. It does not cover increased cost of repair or reconstruction by reason of any ordinance or law regulating construction, use of repair, loss of use, loss of profit, delay or deterioration, loss or impairment of market, cessation of work, fixation of price or value, interruption of business, manufacture or occupancy or consequential loss.

The list of excluded property is much longer than in fire insurance policies. The war damage contract does not cover, unless specifically provided in writing, accounts, bills, currency, deeds, evidences of debt, securities, money, bullion, stamps, furs, jewelry, precious and semi-precious stones, statuary, paintings, pictures, etchings, antiques, stamp and coin collections, dies, patterns, mechanical drawings, manuscripts, pleasure watercraft, standing timber, growing crops and any real property not part of a structure or building. There was considerable discussion at the mid-year meeting of the National Association of Insurance Agents in New York recently over the possible coverage of intangible property and many agents expressed the hope that coverage on some of these items would be made available through private carriers if the government should decide not to insure them.

Advance Premiums Required

The policy provides that the premium must be paid in full before the commencement date of insurance and it shall become void without notice if a check is accepted and is not honored on presentation.

The list of excluded perils is quite different from that in standard fire policies. The policy excludes loss caused by burglary, robbery, theft, larceny, pillage, looting, neglect of the assured to use all reasonable means to save and preserve the property after insured damage, blackouts, confiscation, nationalization, expropriation, requisition, commandeering, capture, seizure, sequestration or detention by or under order of the United States government or any political subdivision, sabotage.

Coinurance and Pro Rata Clauses

The policy contains a pro rata distribution clause similar to that often found in fire insurance forms, providing that insurance, if written blanket or on more than one building or place, shall apply to each building, or place in the proportion that the property value bears to the value of all property covered by the blanket item. It also states that the pro rata distribution clause shall not apply if the policy is subject to 90 percent or 100 percent coinurance.

There is a provision for coinurance, the percentage to be set up in the application. The coinurance clause does not apply to farm properties and to dwellings for less than five families.

The policy also contains a waiver of inventory clause, similar to that found in fire insurance forms, providing that no special inventory or appraisal of

undamaged property shall be required if the claim for loss is both less than \$10,000 and less than 2 percent of the total amount of insurance. As in the case with fire insurance, this clause does not waive the coinurance clause.

Excess Over Private Insurance

The policy covers only the extent that the loss is excess over any other insurance on the property, "whether prior, subsequent to or simultaneous with this insurance, which in the absence of this insurance would cover the loss." This means that any insurance carried in private companies will have to pay first. Some of the policies issued by fire insurance companies have contained provisions seeking to make government indemnity primary and their own coverage excess, but this provision in the War Damage Corporation policy will probably defeat the provisions in private contracts.

The provision for coverage of mortgage interests is shorter than in the standard fire policies and is not restricted to mortgagees, providing for payment "to a payee other than the insured." It states that if the assured fails to give proof of loss within the required time, the payee shall render proof within 60 days.

CANCELLATION

The policy provides for cancellation only if the ownership of the property or the assured's interest has changed, in which case cancellation may be effected at the request of the assured and surrender of the policy. It also may be canceled by the corporation on five days notice, which may be mailed to the address shown in the application, if it proves to have been issued in violation of the rules and rates established at the time of issuance. It provides for payment of a return premium "in conformity with the regulations of the corporation," but says nothing about short and pro rata cancellation. Otherwise, the policy is apparently non-cancellable.

The appraisal clause is the same as that in the "new" or 1918 New York standard fire policy, except that if the appraisers fail to select an umpire, one shall be appointed by a judge of a federal court of the district in which the property is located.

The policy also provides that if the assured is unable to comply with the requirements of the policy in case of loss because of enemy action, occupation or control, the assured shall be given until "a reasonable time" not more than six months after he is able to do what is required.

Fiduciary Agents

The insurance may be written only by insurance companies appointed by the War Damage Corporation as fiduciary agents.

The producer may be any licensed insurance agent or broker of the fiduciary agent. A direct writing mutual or reciprocal may act as producer and appoint another direct writing mutual or reciprocal as producer.

The policy covers only direct physical loss or damage. It does not cover consequential coverage such as U.&O., rent and rental value, leasehold, accounts receivable.

Rates and rules may be changed upon giving 30 days notice.

The application shall be prepared in triplicate and accompanied by cash, postal money order or check in full payment of the premium. Payment must be made to the order of the fiduciary agent. The original and one copy of the application must be sent to the fiduciary agent and one is retained by the producer.

Insurance is to go into effect on the commencement date, noon standard

time and terminates 12 months thereafter. Commencement date is not prior to three days after the application, properly completed and accompanied by the full premium, is received by the fiduciary agent.

Period of Policy

In connection with certain risks the period of the policy is less than 12 months. These include transit risks where the insured has been in business less than three months, the term of the policy then being limited to three months. Also on single trip transit coverage, the protection is for the duration of the trip only.

Then in connection with registered mail and express, if the assured has been in business less than 12 months the coverage is afforded on a trip basis only and also where the policy for any assured is written for a single trip, the insurance is for the duration of that trip only.

Endorsement Rule

The assured may cancel only when there is a change of ownership or a change in the insured's interests. The WDC, by giving five days notice to the insured and to the loss payee, if any, may cancel a policy that is issued in violation of the rules and rates. The return premium shall be in conformity with the regulations of the corporation.

A policy may be endorsed to a subsequent renewal date for additional amounts or locations pro rata of the annual premium. Cancellation or reduction in the amount by reason of change of ownership or interest is on a pro rata basis.

A producer does not deduct his service fee from remittances to the fiduciary agent. The fee is to be regarded as earned when the policy is issued. The fee will be paid upon renewal of policies.

Only One Policy

There may be issued only one policy on any one property or group of properties if written blanket but a single policy may be issued for any one of the following types of coverage:

1. All properties at fixed locations on land.
2. Transportation.
3. Registered mail.
4. Hulls.
5. Cargoes stored afloat.
6. Any other class of risk where a separate application and form are required.

Unless specifically provided in writing and in accordance with the rules of the WDC, these are excluded: Accounts, bills, currency, deeds, evidences of debt, securities, money, bullion, stamps, furs, jewelry, precious stones, statuary, paintings, pictures, etchings, antiques, stamp and coin collections, dies, patterns, mechanical drawings, manuscripts, pleasure water craft, standing timber, growing crops or any real property which is not part of a structure or building.

Certain instructions are given for classifying buildings as to construction, for rating purposes. Class 1 consists of buildings or structure of fire resistant construction. This means reinforced concrete or structural steel frame protected by brick, tile or concrete with concrete or tile floor. Class 2 consists of any other type of construction including all metal construction or property in the open.

Different Types of Construction

If different types of construction exist in a single risk, if not less than 75 percent of the total floor area, including basement, is of one type of construction, the risk may be classified as of the predominating type of construction. A risk is defined to be a single building or group of buildings and contents situated at a single location.

Except for dwellings and farm properties there is a 50 percent coinurance clause. Where an 80 percent clause is used there is deducted 30 percent; a 90 percent clause, deduct 35

percent and a 100 percent clause, deduct 40 percent.

On any of the properties equipped with automatic sprinklers, there is to be deducted 10 percent on the base rate.

Dwellings occupied by less than five families, including private garages and outbuildings, automobiles for pleasure use, take a rate of 10 cents. Farm properties, including private garages, private barns, out buildings, farm implements and live stock, take a rate of 10 cents.

Churches, hospitals, educational institutions, libraries, museums, buildings only, class 1, take a rate of 10 cents, and class 2, 15 cents.

Apartments, Hotels, Etc.

Apartments, hotels, offices, mercantiles, warehouses and other non-manufacturing buildings take class 1 rate of 15 cents and class 2 of 20 cents.

Manufacturing plants, piers, wharves, bridges and all other structures take 20 and 30 cents.

Street railway and railroad properties except rolling stock and contents take a 30 cent rate. For rolling stock the rate is 25 cents and for trackage and roadbed, it is 10 cents.

The builders' risk takes the rate applicable to the completed building.

On floater policies the 100 percent coinsurance clause is mandatory and the rate is 25 cents. Floaters are declared to be property of a floating nature wherever it may be at a fixed location but not including the transit risk. Motor vehicles except those insured along with dwellings take a rate of 25 cents.

For aircraft the rate is 25 cents.

The rate is 30 cents for publicly or privately owned services or utilities such as light, water, heat, power and communication systems, including transmission lines, underground piping, wiring and conduits.

There is a rate of 5 cents for growing crops.

Reporting forms of policies are not to be issued.

Rules are set forth for the writing of policies covering on more than one location with all buildings of an entire plant being considered as one location.

A schedule of specific amounts of insurance may be set forth in the application or blanket coverage may be written on all properties owned by one assured. If the properties are located in more than one state, the distribution of values by states must be shown. The rate for blanket coverage is the rate of the highest rated building or location.

A pro rata distribution clause is mandatory when a less than 90 percent coinsurance clause applies.

Insurance on Securities

There is a rate of \$1 per \$1,000 on the amount of insurance on securities and other valuables owned by banks, trust companies, security houses, etc.

At the insured's residence there is \$100 of the insurance applicable to such instruments and insurance is available at these locations on no other basis.

In connection with securities lodged or held by financial institutions insurance is available either to the owner or to the financial institution and the insured may estimate the market value on the basis of the maximum amount he expects to have on deposit. The amount of insurance must be 10 percent of the amount of value stated in the application.

Real property not part of the buildings such as fences and other yard property may be covered by endorsement and the rate is that of the class at which such property is located.

Coverage for Museums

An endorsement form is provided for covering museums and commercial risks up to a maximum of \$100,000 on statuary, paintings, etchings, pictures and antiques; \$100,000 on jewelry; \$100,000 on furs; \$100,000 on stamp and coin collections. All such insurance is subject to a limit of liability in connection with

any one article of not exceeding \$5,000. The rate is 75 cents. The coinsurance and pro rata distribution clauses are not applicable to such an endorsement.

Similar coverage is also available for insured other than museums and commercial risks in the maximum amount of \$10,000 with a \$5,000 limit of liability and at a rate of 75 cents. Insurance may be issued to owners of security interests or insured holding financial interests covering property on which it has loans. If blanket policies are issued, the values must be scheduled for each state.

The minimum premium is \$5.

On transit risks, the premium is 3 cents per \$100.

Rates for Vessels

The rates for insuring vessels are given. On commercial hulls, all metal including hull, deck and superstructure, the rate is 50 cents and on others it is 75 cents. For builders risk on shore or afloat within the policy limits (premiums calculated on the completed price) the rate is 25 cents on all metal and 37½ cents for others. For yachts laid up out of commission, afloat or ashore, not in a building the rate is 50 cents for all metal and 75 cents for others. Where yachts are laid up on shore in a building the rate is that given in the fixed property schedule.

In connection with cargo stored on vessels within the policy limits the rate is 50 cents for all metal vessels and 75 cents for others.

Then there are rules for registered mail and express. On annual policies there is to be an advance premium calculated at the following rates applied to each \$1,000 of value of shipment made by the insured during the preceding 12 months on each of the classes referred to:

Class A—U. S. currency, revenue, war savings or postage stamps, specie or bullion—rate 7½ cents.

Class B—Bonds, stocks and similar instruments of all kinds—rate 1 cent. The premium is to be readjusted at the end of the policy term by applying the proper rates to the actual values shipped.

For trip transit, the rate is 7½ cents for class A and 1 cent for class B.

There are set forth the limits of juris-

diction of the War Damage Corporation with respect to vessel properties and cargoes stored on vessels. While confined to and operated within the limits of harbors and other inland waters of the United States as defined in section 2 of Act of Congress of Feb. 19, 1895, and set forth in "Pilot Rules for Certain Inland Waters" as issued by the Department of Commerce or while confined to and operated within the Great Lakes (including waterways connecting them and their harbors and tributaries in the United States) or while confined to or operating within harbors and inland waters of territories and possessions of the United States as defined by local authorities. Such craft may be covered while building and under repair, afloat or ashore, within the above limits. The coverage ceases when the vessel goes beyond the jurisdiction but it automatically reattaches when the vessel gets back into the territory.

All other vessels (ocean going, coastwise, intercoastal or overseas) may be covered while under construction in the United States and until sailing on the trial trip or delivery to the owner whichever is the first.

CARGOES

Cargoes may be insured while a vessel is confined to and operating within the inland harbors as defined above. On outbound cargoes, coverage terminates at the time the cargoes are laden on board the ocean going vessel. On cargoes trans-shipped at United States ports the cover attaches at the time of discharge from the originating vessel and terminates when laden on the out-taking vessel.

The coverage also applies to goods laden on board a vessel of ocean going type within the limits of the harbors or other inland waters, if laden for purpose of storage but not for transportation.

There is to be no coverage on cargoes on board ocean going coastwise, intercoastal or overseas vessels in United States ports or high seas.

The purpose of the pro rata distribution clause, it is explained, is equitably to distribute the amount of insur-

ance where more than one building, structure or place is covered under one blanket amount. It has the effect of prorating the total amount of insurance in the proportion that the value of each building, structure or place bears to the total value. There is given the example of two buildings containing \$100,000 in merchandise. If a blanket amount of insurance to the amount of \$50,000 were written and if at the time of loss there was in building A, \$75,000 of value and in building B, \$25,000, then the insurance applicable to building A would be 75 percent of three-quarters of \$50,000 or \$35,500 and in building B, 25 percent of one-quarter of \$50,000 or \$12,500.

Cargoes Stored Afloat

There is a special rider for cargoes stored afloat. In it the territorial limits are specified. There is a provision that the insurance shall include general average and salvage charges resulting from the perils insured against. The valuation clause provides that it shall be valued at the amount stated in the application and this insurance shall pay the same proportion of any claims hereunder that the amount hereby insured bears to the said value.

The pro rata distribution and coinsurance clauses of the policy are declared to be inapplicable conditions.

The application for insurance on cargoes stored afloat includes name of applicant, mail address, loss if any payable to. "On cargo of..... stored aboard the following described vessels: Name of vessel, type, class, valued at, amount of insurance, rate and premium and a statement as to the waters to which the vessel is confined.

Under the participation agreement, the participant assumes a total obligation equal to a certain percent of any net deficit of War Damage Corporation but not more than a stated number of dollars for the period of the agreement.

The participant's obligation is limited to the kinds of insurance, form of policy and rules and rates that have been agreed upon but subject to revision not inconsistent with the basic principles.

In calculating results the income is to consist of gross premiums less return

(CONTINUED ON PAGE 37)



Departments—

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PITTSBURGH
SAN FRANCISCO
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PHILADELPHIA
MONTREAL
TORONTO

American Equitable Assurance Company of New York

Organized 1918

Globe & Republic Insurance Company of America

Established 1862

Knickerbocker Insurance Company of New York

Organized 1913

Merchants and Manufacturers Insurance Company of New York

Organized 1849

New York Fire Insurance Company

Incorporated 1832

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MANAGER

92 William Street, New York

Losses paid exceed Two Hundred and Fifty Million Dollars

INSURANCE MEN CALLED TO SERVICE

John S. Ross, Newcomerstown, O., has joined the army. His agency will be operated by his father, John C. Ross.

Fred Wagner, Tiffin, O., has joined the army. Mrs. Maud A. Eichhorn is operating the agency.

John Kountz of the Walter J. Kountz & Son Agency, Toledo, has entered the army.

Roger Kegley, for the past year an executive assistant in the office of the Minnesota insurance department, has enlisted in the army and is at Camp Joseph T. Robinson, Ark.

Roy E. Carr, vice-president of Atlantic Mutual, has been commissioned a lieutenant commander in the navy and has been ordered to duty as aide to Admiral Glassford, commandant of the sixth naval district, Charleston, S. C. Mr. Carr graduated from the U. S. Naval Academy in 1923 and went with Atlantic Mutual in 1934. He was branch manager at Boston until 1938, when he was called to the home office to supervise the company's branch and agency facilities. He was made vice-president in 1940. At that time he took charge of the entire production division.

W. David Allen, state agent in Ohio for Dearborn National, has joined the army ordnance department and will be detailed to the Cleveland district in plant defense work. He is a graduate of Armour Institute.

Northwestern Mutual Fire Association now has 51 men in active service with American and Canadian forces.

Joe B. Pears, Oklahoma state agent of National Union, has left for Knoxville, Tenn., to join the army air corps as second lieutenant. For the present Ray C. Snodgrass, special agent, will be in charge of the state.

Lou Kessler of the Kessler & Laurie agency, Seattle, has been commissioned a first lieutenant of military police and called to active duty. He saw service in France in the former war.

R. E. Blacklock, Oklahoma City, special agent marine department of Home, has reported for service at Shepard Field, Wichita Falls, Tex.

Hardin McCoy of the McCoy Insurance Agency, Monmouth, Ill., volunteered for service in the air corps and has reported at the officers training school in Florida. The insurance business will be conducted by Mrs. McCoy.

James L. Crayden, Jr., assistant manager of the E. Dana Johnson & Co. general agency of Jacksonville, Fla., has entered army service and is at Camp Blanding, Fla. During his absence his work will be handled by C. J. Brown, Jr., who has been associated with Mr. Johnson for five years.

John C. Wharton, Jr., formerly with Hartford Fire in Chicago, and son of John C. Wharton, Lexington, Ky., state agent of Crum & Forster, is now an air cadet in training at Santa Ana, Cal.

W. F. Law, Jr., Augusta, Ga., is joining the army as a second lieutenant in the replacement center at Fort McPherson, Ga. His agency will be conducted by his wife and H. C. Chafee.

Ogden W. McCloskey of the Albert E. McCloskey & Son agency of Pittsburgh has been commissioned 1st lieutenant in the air corps and is stationed at Miami for training.

James Nelson, the youngest son of R. T. Nelson, who is just retiring as chief deputy in the Illinois insurance department, is receiving his degree at the University of Missouri and in addition receives his commission as second lieutenant in the field artillery. He will report the next day at Ft. Leonard Wood, Mo. The older son, Ray Nelson, received his commission last fall and is stationed at Ft. Brown, Brownsville, Tex.

M. B. Wolf of the Thomas E. Wood agency in Cincinnati has been commissioned a second lieutenant in the

air corps and is doing office work at Wright Field, Dayton.

Charles H. Trefz, Michigan state agent of Standard of New York and Standard Surety & Casualty, has been called to the army.

Timothy F. Landregan, head of the Landregan Agency of Manchester, N. H., has enlisted in the army. He is New Hampshire state athletic commissioner and member of the state agent's association.

E. G. Welchman of Woodstock, Vt., executive committee chairman of the Vermont Association of Insurance Agents, has gone into military service, and Willard C. Lawrence, Springfield, Vt., has been elected to succeed him as chairman.

Mart B. Sander, for five years with the Case & Son agency, Marion, Kans., has been commissioned a second lieutenant and has reported at Camp Leonard Wood, Mo.

Capt. E. C. McCormick of the Permanent Agency of Akron, O., has been called to active duty in the army.

Marion Kessler, New Orleans local agent, has been commissioned a second lieutenant in the army air corps. During his absence the Kessler agency will be supervised by R. L. Emery, Jr., assisted by John LaCourrege.

Geo. B. French, special agent of Royal-Liverpool in Louisiana, is now in the army at Kessler Field, Biloxi, Miss.

John Meade, Marine Office of America, New Orleans, has joined the army air corps.

Marion Glassick of the Los Angeles office of the Fire Companies Adjustment Bureau has been called into service as a second lieutenant in the army ordnance department, and has reported for duty in North Carolina.

Kenneth Dougherty, formerly claims supervisor of Home in Oregon, and more recently a private in the army, has been appointed an air cadet. During leave recently to visit his parents in Portland he visited with his former business associ-

ates at a meeting of the Oregon Casualty Adjusters Association.

Cliff Beckett, former adjuster and member of the Oregon Casualty Adjusters Association, who is a lieutenant in the army, has been transferred from Camp Roberts, Cal., to Camp Berkeley, near Abilene, Tex.

Robert I. Griffith, superintendent of the casualty department of U. S. F. & G. at Cleveland, has been commissioned an ensign in the navy and has now reported for active duty. His work will be handled by Willard E. Harn, formerly assistant underwriter in Syracuse, N. Y.

Charles Teague, senior member of the insurance brokerage firm of Teague & Wiester, Los Angeles, has been called into service as a first lieutenant in the army air corps, and has reported for duty at March Field.

James Main, assistant actuary of the Michigan department, has gone with a draft contingent to Fort Custer, Battle Creek. He had been with the department for about two years.

T. Wm. Harwood, formerly with the marine department of Charles W. Sexton Company, and more recently Pacific Coast manager for the marine department of the Commercial Union, is now a private in the U. S. Army undergoing basic training "somewhere in Hawaii." He was inducted into the army at Portland on April 19th.

Mo. Case Convictions Upheld

ST. LOUIS—The U. S. circuit court of appeals has upheld the contempt of court convictions of T. J. Pendergast; R. E. O'Malley, former insurance superintendent, and A. L. McCormack, St. Louis agent.

A three judge federal district court at Kansas City last year sentenced the three men to two years each because of the fraudulent character of the Missouri rate case settlement of 1935. McCormack was placed on probation.

The appeals court decision was written by Judge Gardner, with Judge Thomas concurring and Judge Riddick dissenting.

Approves New Type Fire Hose

Following the War Production Board's order earlier this year cutting the amount of new rubber which can be used in fire hose, Underwriters Laboratories received a deluge of inquiries from fire chiefs, purchasing agents, and insurance inspection bureaus asking what could be done.

The laboratories, after considerable experimentation and research, developed an emergency alternate specification for fire hose, and manufacturers are now supplying such hose. The new hose will handle equally as well as that formerly carrying the Laboratories seal, the main difference being that the new hose will probably not last as long. The new hose is subjected to numerous and severe tests.

W. T. Cline Gives Luncheon

William T. Cline, partner in the Conkling, Price & Webb agency of Chicago, is giving a small luncheon Friday at the Racquet Club in Chicago for Frank Christensen, executive vice-president of America Fore, and Claude Fairchild, general manager of the Association of Casualty & Surety Executives who will be in the city en route to Denver for the meeting of the National Association of Insurance Commissioners.

Some Cargo Rates Reduced

NEW YORK—Marine underwriters this week lowered the cargo war risk rate between United States and Canadian Pacific coast ports and the Hawaiian Islands from 2 percent to 1½. A number of minor changes for other voyages were also made.

Stuart Morgan, state agent of Agricultural in Michigan, will celebrate his 35th anniversary with the company June 7.

New Manual Ready for Illinois Examinations

A new manual of examination for use by candidates for agents and brokers licenses has been published by the Illinois department and is now being distributed for use as a basis of license examinations after June 1. The manual is not intended as a text book but is in the form of questions and answers, suggested as an outline of study.

The former practice of asking examination questions in the exact form in which they appeared in the manual has been discontinued. Although the new manual consists of questions and answers, the questions are in a different form from those which will be used in the examinations.

The new manual has been prepared under the supervision of H. Walter Hanson, Jr., supervisor of the license branch. Officers of many Illinois insurance organizations were invited to assist in the revision of this manual by suggesting questions on new topics.

The publication contains 94 pages and 588 questions and answers. The introductory chapter consists of 67 questions based upon fundamental insurance information including the provisions of the Illinois agents and brokers license act with related provisions of the Illinois insurance code as well as department rulings. The chapter on life insurance subjects has 91 questions and answers. The section on fire, marine and allied lines comprises 155 questions and answers.

Field Men Give Fontana Program

At a meeting of the Riverside-San Bernardino Counties Insurance Agents Association at Fontana, Cal., Manager Paul Wilson of Phoenix of Hartford will speak on "Earnings of Property, U. & O." etc. Special Agents Samuel H. Butler, Hartford Accident, and Lloyd Carleton, Fireman's Fund Indemnity, will conduct a panel discussion on "Comprehensive Liability."

Francis E. Homer, Hartford Accident, and M. E. McFarland, American Surety, will lead a discussion on "Comprehensive Liability" before the Whittier (Cal.) Insurance Exchange, June 8. John Gurash, American Surety, and Lloyd Carleton, Fireman's Fund Indemnity, will lead a similar discussion before the Insurance Exchange of San Diego.

Bicycle Cover in Canada

TORONTO—Insurance for the cyclist is being promoted extensively here. Generally the premium rate is \$10 for a wide variety of perils. Referred to by one company as the cyclist's composite policy, and for unpowered bicycles only, this provides protection against: Loss by fire, lightning, wind, explosion, burglary, theft or collision; hospital, medical, nursing costs arising out of injuries suffered while operating bicycle; liability to others for injuries or damage caused in operating bicycle.

One typical advertisement provides an ordinary application blank which may be completed and forwarded to the company with \$10. Insurance is then automatically provided.

Auxiliary Firemen's Book

The National Fire Protection Association, 60 Batterymarch street, Boston, has issued a training manual for auxiliary firemen, costing \$1.50. It consists of 416 pages with 225 illustrations. It is estimated that there are 500,000 auxiliary firemen already enrolled in American cities. The authors are W. F. Heisler and R. J. Douglas, who are consultants to the U. S. Office of Civilian Defense on problems relating to training firemen and auxiliary firemen. The book is practical and gives up to date information.

Lowry Watkins, Louisville local agent, and Miss Barbara Bullitt, daughter of William Marshall Bullitt, well known insurance attorney, will be married June 20.

To the Colors



KENNETH H. BAIR

Kenneth H. Bair of Greensburg, Pa., former president National Association of Insurance Agents, has been made a major in the army air service. He has gone to Lowry Field at Denver. In the first world war he was in France as a lieutenant of artillery and later was shifted to the balloon observation corps. Mr. Bair was one of the organizers of the Central Air Lines, later called the Penn Central. He served on its board.

AS SEEN FROM CHICAGO

FEWER DAILY REPORTS

Some of the fire offices find that the number of daily reports has decreased within the last few weeks. Some have been endeavoring to ascertain the cause but in general it is supposed to be that some businesses have been squeezed out. The volume of premiums keeps up.

MOORE, CASE SOON TO MOVE

Moore, Case, Lyman & Hubbard, metropolitan supervising agency of Chicago, will open for business June 15 in its new quarters on the 12th floor of the Insurance Exchange building there. Fortunately the work of remodeling was started some time ago so that it was not affected by the recent freezing order of WPB which limits office buildings to an expenditure of \$5,000 total in any one year for remodeling and alterations.

The new office which makes liberal use of flutex banker type screen partitions and is trimmed throughout in walnut, has been efficiently arranged. Executive offices are on the Jackson-Sherman corner of the space, J. K. Walker, having the corner office. To the west is a segregated office brokers division with private offices and desk space and individual entrance on the corridor. South of the executive offices are the departments, grouped around the files section. At the extreme south end of the quarters is another brokers division with individual entrance on the corridor. The brokers thus have been set apart so they will not be disturbed by the office operations and may come and go without having to pass through the general office. Moore, Case has 40 or more office brokers, a number of whom have been with the agency 30 years or more. The life department, supervised by R. B. Kegley, recently moved to new quarters in 1221.

LUNCHEON FOR CARTWRIGHT

Charles M. Cartwright, editor of THE NATIONAL UNDERWRITER, was honored at a testimonial luncheon in the Chicago Club given by the Chicago Insurance Agents Association. Some of the leaders in the organization had desired for some time to demonstrate their regard for Mr. Cartwright and decided to arrange the luncheon at this time despite the fact that the date did not correspond with any particular anniversary in the life of the honored guest. Mr. Cartwright has been in newspaper work in Chicago 48 years and in insurance newspaper work 46 years.

Bradford Gill of the Gilbert & Gill agency, chairman of the organization, introduced the toastmaster, Clarence S. Pellet of the Critchell, Miller agency, an old friend of the honored guest, who recalled particularly his relationship in 1900 when he was president of the Chicago Board, with Mr. Cartwright. Oscar E. Aleshire, a former prominent Chicago agent who is now president of the Modern Woodmen of America, delivered

a talk in appreciation of Mr. Cartwright which was a pleasant combination of earnestness and facetiousness. Howard J. Burrage, vice-president and secretary of THE NATIONAL UNDERWRITER, who has been associated with Mr. Cartwright for 29 years, gave a talk in the lighter vein, and Allan I. Wolff of the Associated Agencies, former president of the National Association of Insurance Agents, presented to Mr. Cartwright a handsome illuminated testimonial booklet that was signed by those present. The message in the book was written by L. P. Warren of the Associated Agencies who was chairman of the committee in charge of the luncheon.

David North of New Haven, Conn., vice-president of the National Association of Insurance Agents, was in the city and attended the luncheon.

C. M. Kinney, assistant Illinois insurance director, was present as a guest. A telegram of felicitations was read from Director Paul F. Jones.

WESTERN LOSS GROUP'S OUTING

The Western Loss Association of Chicago will hold its annual outing June 16 at the Acacia Country Club. E. S. Purcell of Hartford Fire is in charge of the affair.

INSURANCE WOMEN ELECT

The Insurance Women's Club of Chicago will hold its annual picnic June 13 at Palos Park. At the recent annual meeting Edith Larson, Employers Liability, was reelected president; Grace Benninghof, Starkweather & Shepley, vice-president, and Dorothy Brooks, Employers Liability, treasurer. Florence Hansen, Starkweather & Shepley, was elected secretary. The organization recently held a card party for charity which was very successful.

SANITARY TRUSTEES HEAR NORTON

J. H. Norton, prominent Chicago broker in the office of Moore, Case, Lyman & Hubbard, discussed insurance needs of sanitary districts at the middle western conference of sanitary district trustees and engineers at Decatur, Ill., this week.

SIMPSON WITH UNDERWRITERS

Roger Simpson has joined Underwriters Adjusting as supervisor of the inland marine department. He was at one time Chicago manager of Newhouse & Sayre and was later vice-president of Transportation. He also had been connected with Fire Association for a short time. In his earlier days he was with W. B. Brandt & Co.

ILLINOIS CHAMBER COMMITTEES

The insurance section of the Illinois chamber of commerce has appointed a committee to investigate the advisabil-

ity of making a research study of the insurance business in Illinois. R. M. Clark, vice-president Continental Casualty, is chairman, the members being Roy L. Davis, western manager Association of Casualty & Surety Executives; Wade Fetzner, Jr., vice-president W. A. Alexander & Co.; John C. Harding, vice-president and western manager Springfield F. & M., and C. B. Stumes, Penn Mutual Life.

A committee was appointed to arrange for the program of the annual insurance luncheon of the Illinois chamber. H. R. Gordon, executive secretary Health & Accident Underwriters Conference, is chairman. His associates are A. M. Blumenthal, secretary Chicago Board of Underwriters; B. H. Groves, manager Travelers; W. N. Hiller, Penn Mutual Life, retiring president Chicago Association of Life Underwriters, and Chase M. Smith of the James S. Kemper organization.

BOOTH STIMULATES AVIATION

A booth is being opened in the Insurance Exchange by the Aviation Cadet Recruiting Aids through the assistance of Lillian L. Herring, executive secretary Insurance Federation of Illinois. Mrs. Herring made the arrangement

with Cadette Colonel Cleone Cook, chief of the cadette corps staff of Aviation Aids, Hotel Sherman. This is a civilian organization for promotion of national defense and the air corps. The purpose of the booth is to drum up interest in aviation training, and especially among the younger men down to age 16.

War Damage Bill Reported Out

OTTAWA—The Canadian government's war damage bill has been adopted by the house of commons banking and commerce committee with some amendments. The bill now must go back to the commons for final decision, then go through the senate. T. D'Arcy Leonard of Toronto, who drafted the bill, presented amendments which were accepted by the committee, restricting ship insurance to vessels plying within Canadian waters, and placing the same restriction on property aboard ships.

Harold H. Ames, a leading producer of the St. Paul ordinary office of Prudential, has been named chairman of the St. Paul Community Chest campaign for this year. **Julie M. Hannaford, Jr.**, local agent, is a director.

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He is not your competitor, but instead, as a good neighbor, is always ready to help YOU as a LOCAL AGENT. He covers his territory thoroughly, is familiar with local conditions, and invites you to call upon him for cooperation or assistance.

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PHONE 809
BELLEVILLE

KENTUCKY

Bradshaw & Weil Gen Agcy. Co., Inc.
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FIRE INSURANCE SPECIAL AGENT—25-36 years. Excellent future, large mutual company, based in Chicago. Write P-56, The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.

SAFETY ENGINEER.....\$185
SPECIAL AGENT Fidelity Exp.....\$200
PAYROLL AUDITOR.....\$200
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STATE AGENT FOR OHIO
Prominent stock fire insurance group offers exceptional opportunity to man with Ohio experience. Knowledge of rating preferred. Approximate age, 35. Replies treated in strict confidence. Address P-49, c/o The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.

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NEWS OF FIELD MEN

Wisconsin Field Meetings Shifted to Elkhart Lake

MILWAUKEE — Wisconsin field meetings scheduled for June 17-19 have been shifted to Elkhart Lake, Wis. Originally it was planned to meet at Lawsonia, Green Lake, Wis., but word was received Monday that Lawsonia will not be opened this season because of uncertainty in transportation facilities and limitation on private travel facilities. Steps were taken immediately to engage facilities at Elkhart Lake, where a number of previous conventions have been held in past years.

The Wisconsin Blue Goose will hold a business meeting, initiation and entertainment Wednesday evening, June 17. Thursday and Friday mornings there will be separate business sessions of the two field clubs. Thursday afternoon will be devoted to golf and other sports, and the evening to the annual dinner dance, all jointly.

The Wisconsin Fire Underwriters Association will hear talks by George Grear, Chicago attorney, on legal aspects of subjects pertinent to the business of the field man, and Charles Kruse, Milwaukee, will give a demonstration of handling fire bombs and show a colored picture, "Hell from Heaven." Harvey Girard, Providence-Washington, Milwaukee, president, will be in charge of the business sessions.

The Wisconsin Insurance Club will meet for joint business sessions with the Illinois group. Howard Bailey, Dubuque Fire & Marine, Wisconsin president, will preside jointly with M. B. Olsen, Northwestern National, head of the Illinois Bureau field men. Paul Oliver, marine department manager Dubuque F. & M. and J. C. O'Connor, editor of the Fire, Casualty & Surety Bulletins of THE NATIONAL UNDERWRITER, will speak.

Minnesota Field Men to Gather Near Brainerd

Minnesota field men will converge at Pine Beach hotel, near Brainerd, June 17-18, for a two-day program of business and sports. The complete program was announced this week by the general committee composed of W. N. Hansen, representing Minnesota Underwriters Association; V. V. Roby, Minnesota Fire Prevention Association, and M. B. Ryon, Blue Goose.

The annual meeting of the underwriters will be the morning of June 17, followed by a luncheon for all field men and guests. In the afternoon there will be land and water contests. A dinner will round out the day.

Thursday the annual meeting of the fire prevention group will be held. In the afternoon contests will be resumed. That evening the annual dinner of Blue Goose will be held with Commissioner Johnson of Minnesota as speaker. The program will close with presentation of prizes to contest winners by George C. Maxwell of Home. This year all prizes will be in defense stamps.

To save as much as possible on tires and gasoline, the field men have arranged to travel in groups to Brainerd.

Gifford Heads Pa. Field Club

The Pennsylvania Field Club at its annual meeting in Harrisburg elected the following officers: President, J. K. Gifford, National Fire; vice-president, Clemens A. Fortman, Fireman's Fund; secretary, F. Glenn Breen, Milwaukee Mechanics, and treasurer, M. P. Kaufman, Merchants of Denver.

Various phases of civilian defense were discussed at the meeting. One night shift of the telephone control center of the civilian defense organization at Harrisburg now is manned exclusively by field club members, and new volunteers were requested.

John C. Dulaney Feted on 75th Anniversary

Western Manager Charles W. Ohlson of the Sun went to Oklahoma City to preside over a dinner there in honor of State Agent J. C. Dulaney on his 75th birthday anniversary. There were present Special Agents L. H. Singleton and R. H. White, both of whom travel out of Oklahoma City. These field men cover Oklahoma, Arkansas and Kansas. W. S. Thornton of the Thornton Insurance Agency of Oklahoma City was present as well as personal friends of Mr. Dulaney. The wives also were invited.

Mr. Dulaney was formerly a local agent at Perry, Okla. He went with the Sun 36 years ago and last January a celebration was held at Oklahoma City in tribute to that anniversary. He is one of the veterans in the field and knows Arkansas and Oklahoma especially like a book.

With Rationing Field Men Will Do More Work by Mail

With gasoline rationing a probability for the country at large, company officials in the midwest are eyeing the possible effect on operations of field men. A considerable increase in the amount of business done by mail is foreseen.

Even in normal times, the field man operating in a territory where distances between cities and towns are great has much more mail to handle than those in more thickly populated areas. With only five gallons of gasoline a week, or even doubling up with another field man and getting 10 gallons, the field man will have to confine his traveling to those spots he can reach by bus or train.

Will Collect by Mail

He will have to do much of his collecting of balances by mail, and if he can't collect them that way, will have to close out the agency promptly. There is already a marked tendency to keep balances much more up to date than formerly.

Because fewer calls by the field man on the agents are imposed by emergency conditions, and since all companies will be on the same basis, less traveling is not expected to affect business materially. Company officials say that when a field man is forced off the road for an extended period by illness, the business in his territory suffers very little. Agents continue to give the company business out of loyalty to a friend. However, if a territory is left open indefinitely, business does fall off. Nothing can replace the personal relationship of field man and agent. The agent does business with his customers on a basis that is still a very personal one, and he feels neglected if he does not have a personal contact with his companies. Over a long period experience has shown that a company can't build or maintain a good business without a capable field staff.

Ohio Speakers End Season

The session of the Ohio Stock Fire Insurance Speakers Association in Columbus this week was given up to a discussion of the low-down on tall stories. C. G. McCray, Great American president, C. D. Lamb, Automobile, president of the association, announced that following this supreme effort on the part of the story-tellers the meetings would be adjourned until fall.

Luncheon for Earl Shaw

KANSAS CITY—The Heart of America Blue Goose here honored Earl H. Shaw at a luncheon Monday upon his assuming the new position of manager for Cook County at Chicago for Fidelity & Guaranty Fire. Mr. Shaw

was presented with a pen and pencil set. The chief talk was made by O. R. Leeds, U. S. F. & G. manager at Kansas City, who told of Mr. Shaw's 14 years with the company, his fine work as state agent for western Missouri and Kansas. A guest was W. C. Anderson, assistant manager, Missouri Inspection Bureau, from St. Louis.

The Heart of America pond will hold a dance June 13 at Indian Hills Country Club.

London & Lancashire Field Changes in East

HARTFORD—London & Lancashire announces the retirement of Fred M. Bleuit of Philadelphia, veteran special agent in eastern Pennsylvania after 25 years of service. He is succeeded there by A. Howard Spargo who moves from the Rhode Island field. Mr. Spargo's place is taken by Gothard Thoren who has been in the special risk department at the home office. Calvin Baile, who has been in the brokerage department of Globe & Rutgers in New York, has been appointed special agent of London & Lancashire, assistant to O. H. Day with headquarters in Newark.

N. J. Special Agents Elect

At the annual meeting and outing of the New Jersey Special Agents' Association at the Cedar Ridge Country Club, Newark, the following officers were elected: President, Paul M. C. Hauser, Security of New Haven; vice-president, William B. Holmes, Yorkshire; secretary, William F. Ohl, Jr., Home; treasurer, Herbert Guempel, Northern of New York. A banquet was held in the evening.

Fresno Puddle Ceremonies

About 75 members of the Blue Goose, including 10 from Los Angeles, participated in the ceremonial, banquet and outdoor barbecue sponsored by Fresno puddle of the San Francisco pond. Nine new goslings were inducted. Officers of the San Francisco pond, headed by James Rea, m. l. g., conducted the ceremonies.

At the banquet brief talks were made by J. Clark Buchanan, Los Angeles, past most loyal grand gander; J. D. Dux, past most loyal gander of the Dakota pond and Mr. Rea.

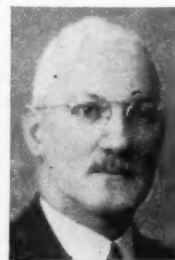
Now the J. D. La Teer Puddle

The title of the Peoria puddle of the Illinois Blue Goose has been changed to the J. D. LaTeer puddle, thus doing honor to Mr. LaTeer, state agent for Agricultural and dean of Illinois field men in that section of the state. He was the first bullfrog of the puddle. An illuminated parchment copy of the resolution.

Wings Sprouting

E. J. Beauvais, who has been brought forward as a candidate for grand keeper of the Blue Goose,

is connected with the Montreal Securities Corporation of Montreal, which is one of the largest insurance general agencies in the province of Quebec. He started in the insurance business in Montreal in 1904 with Royal and transferred to Liverpool & London & Globe in 1907. He left that company in 1920 for his present position. He resided in the United States for 14 years. He is a charter member of the Quebec pond, the first guardian of the pond, past most loyal gander, was first delegate of the Quebec pond at the convention of 1916 at Chicago. He has been active in Blue Goose work for 28 years.



E. J. Beauvais

tion, adopting the new name was presented to Mr. LaTeer at a dinner meeting. The speakers were Sam Levin, attorney of Chicago, and Bullfrog Tuerk and Gander McNeill of Peoria.

Sponsors Boys for School

The Oklahoma Blue Goose has assumed financial responsibility for two boys to attend the one-week course in city, state and federal government at the University of Oklahoma early in July. The school is sponsored by the American Legion.

One-Day Parley in Tennessee

NASHVILLE—The annual meetings of the Tennessee Fire Underwriters Association, Tennessee Fire Prevention Association and Tennessee Blue Goose, will all be held June 19 at the Hermitage Hotel here. Vernon Sharp, Jr., president Tennessee Association of Insurance Agents, will be the only formal speaker. The annual Blue Goose banquet and dinner dance will be held in the evening at which the ladies auxiliary will be special guests.

Deny Need for Gas Ration

NASHVILLE—Field men here contend that there is no need for gasoline rationing on a nationwide scale even as a means of lengthening life of auto tires. Typical of this attitude is that of H. V. Parrish, America Fore, who maintains that field men are already "measuring distances by the inch" in the use of their cars because their livelihood depends on it. Some Tennessee field men have already reduced their auto travel as much as 75 percent.

Fire Prevention Group to Elect

The Fire Prevention Association of Ohio will hold its annual meeting June 9 in Columbus. New officers will be elected. Fire Marshal Schraffenberger of Cincinnati will speak on fire prevention and civilian defense. C. W. Little is secretary-treasurer of the association and Carl H. Roggenkamp president.

Ohio Pond's Summer Party

The annual party and dinner dance of the Ohio pond of the Blue Goose, will be held June 8 at the Scioto Country Club, Columbus. There will be golf, bridge, dinner and dancing. The entertainment committee is composed of James D. Lecky, Jr., Royal Exchange; Kenneth J. Hoag, Fireman's Fund, and Rolf Rosenlund, Home, N. Y.

Open Richmond Service Office

Phoenix of London has opened a service office at 321-323 American Bank building, Richmond, Va., in charge of R. Coleman Rice, long state agent in Virginia, Maryland and the District of Columbia. Mr. Rice will be assisted by Heber S. Morris as special agent. Mr. Morris was formerly with Indemnity of North America. Mr. Rice will also have supervision over an office in Washington at 1627 K street, northwest.

Virginia Parley June 8

The Stock Fire Insurance Field Club of Virginia will hold its annual meeting June 8 in Richmond. It was planned to hold the meeting at Virginia Beach, according to Lawrence Frayser, New York Underwriters, president, but the plan was abandoned on account of the gasoline and tire shortage. The Virginia Blue Goose will hold its annual splash on the same day.

Sidebotham Is Promoted

LOS ANGELES—W. M. Sidebotham, who has been special agent of the St. Paul-Mercury group in Los Angeles, has been promoted and made agency superintendent with headquarters in San Francisco.

Alabama Pond Elects June 11

The Alabama Blue Goose will hold its annual meeting in Birmingham June 11.

E. H. Mathewes, North America, is now most loyal gander. Social features include a golf tournament, bowling tournament, a bridge luncheon for the ladies and a dance. Several new members are to be initiated.

California Pond Nominates

LOS ANGELES—The California Blue Goose has nominated the following officers for election at the annual meeting June 5: Most loyal gander, Harold Smethurst, Travelers; supervisor, L. L. Brown, National Automobile Club; custodian, E. E. Davis, attorney; welder, E. E. Harris, Aero Insurance Underwriters; keeper, Gilman Camp, Hartford Fire; guardian, Horace Miller, Firemen's. Mr. Smethurst, on election, automatically becomes delegate to the grand nest.

The San Diego puddle has elected these officers: Big toad, Joseph Silveira; pollywog, Chet Loomis; croaker, Dean Stoddard; bouncer, Clarence Horrall.

Iowa Blue Goose Luncheon

DES MOINES—B. M. Kiesner, formerly state agent of Fidelity & Guarantee Fire in Minnesota, recently transferred to Iowa, was a guest at the weekly luncheon of the Iowa Blue Goose.

Roy Ingham, most loyal gander, reported nine or 10 candidates will be initiated at the annual meeting June 12.

Kansas Pond Holds Luncheon

TOPEKA—Twenty-nine members attended the Blue Goose luncheon here Monday. R. E. Van Gundy, Western Adjustment, invited the members to an outing at his country home June 13 and most of the ganders living in Topeka are expected to attend. Owing to the inability of Joe Springer to attend the Boys State at Wichita, William Ellis, son of W. E. Ellis, special agent of Glens Falls for many years, was invited to represent the Blue Goose. Byron R. Ward was chairman and Frank L. Britton will be in charge next Monday.

Sunflower Puddle Elects

WICHITA—The Sunflower Blue Goose puddle has elected W. S. Gibbons, St. Paul, big toad; C. W. Price, Kansas Inspection Bureau, pollywog; Nick Kleber, Royal-Liverpool, croaker, and William Moore, Central Kansas Adjustment, bouncer. Forty members and guests were present to see movies furnished by Mr. Gibbons on "Bombing of Pearl Harbor" and "Fighting the Fire Bomb."

Dakota Field Meet at Alexandria

The summer outing of the Dakota Blue Goose will be held at Geneva Beach Hotel, Alexandria, Minn., June 26-27.

The annual meetings of the North Dakota Underwriters Association and North Dakota Fire Prevention Association will be held there June 26.

Froehner with American in Iowa

William H. Froehner has joined American as special agent in Iowa with headquarters in Davenport. He was formerly in the local agency business at Muscatine, Ia., and for the past four years has served as special agent in Iowa for Bituminous Casualty.

The annual golf tournament and dinner dance of the San Francisco Blue Goose will be held at the Diablo Country Club June 6. George M. Parrish of Hinchman, Rolph & Landis, is general chairman.

Victor Penn, Milwaukee, state agent Dearborn National, is convalescing from an appendectomy, having undergone an operation in a Milwaukee hospital recently.

Albert H. Phillips, local agent of Nashville, has been commissioned a second lieutenant in the army air corps and is stationed at Sheppard Field, Wichita Falls, Tex. During his absence the business will be operated by Mrs. Phillips.

New Digest of Decisions Issued

The second five-year "Digest-Index of Insurance Decisions" has just been published by the Rough Notes Company, Indianapolis. The 1,055 pages contain a digest of all federal and state appellate court cases pertaining to insurance, indexed by classes of coverage and according to insurance and policy terms, for the years 1936-41.

During that period almost all important insurance questions have been litigated. The digest is subdivided into fire, old line life, automobile, etc., and provides a quick, complete and accurate view of decisions, without confusing the insurance man with decisions not applicable to the classification of insurance he is interested in. Each case is reported in brief digest form, with all irrelevant material removed, leaving a concise statement of the point of insurance law involved.

Valuable Sales Material

On almost any point of insurance or interpretation of insurance contracts that may come up, or that may be asked by a customer, there is almost sure to be a case passed on by the courts. These decisions contain practical information and provide the agent with an almost unlimited supply of interesting and convincing sales arguments, on all lines of insurance.

Similarly, for the attorney, for the legal departments of insurance companies, for claim men and underwriters, the Digest-Index provides an excellent reference, making possible a quick review of the court's opinion in every case having any bearing on a point at issue. Each summary is provided with its National Reporter System citation.

Supplementing the second five-year Digest-Index, which sells for \$15, the first volume, published in 1936 at \$10, is available to provide a complete 10-year record from July, 1931, to June, 1941. Currently the material is kept up to date through the monthly publication, "Insurance Decisions," and its annual Digest-Index.

Bradford, Pa., Agent Strikes Lofty Note

The Elmer W. Bliss agency of Bradford, Pa., recently attracted most favorable attention in its community by advertising in the Bradford "Evening News and Daily Record" a pledge for the duration of the war to assist in preserving the business of any insurance agent who is called into the armed forces or is otherwise drafted into full time war service and has been forced to leave his insurance business. The advertisement stated that if asked, the Bliss agency will assist the office of that agent in providing him with the benefit of the Bliss agency's knowledge and experience and will give of its time freely and without remuneration to assist them in placing their renewal business and discouraging competition. "We will not knowingly solicit or write any such business for our personal gain which, in so doing, would result in financial loss to that absent agent," the advertisement read.

The Bradford newspapers a few days later remarked editorially on the advertisement of the Bliss agency, stating that the advertising is a credit to the business which sponsors it and express high regard for the lofty plane upon which the Bliss agency seeks to do business in Bradford.

Analyzes Price Control

Research Institute of America is making generally available its 150-page analysis of price control. It sells for \$2. Its purpose is "to assist business to make the best adjustment possible in the new business-government relationship."

General's Policy:

"TAKE THE INITIATIVE!"

One big reason agents like to work with the General of America is that the management of this company has a record of *never pussyfooting* when there's a big, tough issue to meet. (Plenty of proof to back this!)

They note with approval that the company is always on the alert to take prompt, aggressive action whenever agents' interests appear to be threatened.

In times like these, nearly 5,000 progressive agents representing General face the future with greater confidence because they represent a company that has made a habit of *taking the initiative*.

Like more facts? A line to Agency Service Dept., 510 General Insurance Bldg., Seattle, will bring them.



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For Over Fifty Years Good Friends of Local Agents

EDITORIAL COMMENT

Fire Prevention at Seaports

ALL who reside near shipping places realize the congestion of ports by goods and material awaiting to be shipped or cargoes that have come in and not been distributed. At the meeting of the National Fire Protection Association this question of port safety was given considerable attention not only by Vice-Admiral Waesche, who was a guest speaker, but by others on the platform.

Extra precautions are being taken to protect these ports. Public attention is

being directed to the danger of raid attacks, to incendiary bombs. There is danger from fire caused by accidents or negligence and then the sabotage hazard is ever at hand. We all realize the increasing necessity of placing every possible safeguard around property and especially these shipments. Millions of dollars of value can be found in these goods awaiting shipment or have just been unloaded. Conservation of such goods becomes a paramount necessity.

Meeting the New Experience

THE National Bureau of Casualty & Surety Underwriters as well as some of the independents have recognized the unusual situation before us today because of restrictions and responding to good business principles as well as desiring to meet a new experience they have now made available to automobile policyholders of the class A-1 standing a preferential rate if they think they will not drive more than 7,500 miles dur-

ing the next year. In the past to get this lower premium one of the requirements was that the car had not been driven more than 7,500 miles during the preceding 12 months. Undoubtedly the automobile experience will be more favorable because of less use. The companies are correct in adapting themselves to changed conditions. Insurance needs to be flexible so that it can adapt itself to new days.

The Old Order Changeth

WE dislike to see old things pass away especially if there is some sentiment attached to them. We would enjoy seeing the landscape and features of our childhood unchanged. However, we are living in a modern age when changes come rapidly. In days gone by local boards and field clubs made the rates. Rate making was rather simple. Most of the information was gathered from the curb. Rapidly a crude survey was made, diagrammed and a rate applied always in a short time. With the introduction of schedule rating the process became far more complicated. It was seen that thereafter there must be experts to do the rating. States were passing anti-discrimination and rate regulatory laws.

It seemed inconsistent for companies that furnished the capital not to make the rates but to allow what might be called the retail men to do so. In order to comply with state laws and to carry on an independent rating procedure state or regional inspection bureaus were organized, the first being in Ohio, which was put in operation by the late

J. W. Cochran, who at the time of his death was president of the Fire Association. This was the foundation of the modern independent rating bureau from which the companies purchased their rates.

The Boston Board put up a big fight to retain its rating functions. The Chicago Board, one of the old time rating organizations, has had to relinquish its rating functions, although it was admirably equipped. Some of these local boards had broad charters which permitted them to do much. Now the Baltimore Board is the only one left where agents have a voice with the companies in making rates.

The change has come about through natural processes of growth and development. In old days many field clubs did the rating and while that was simple they performed a very excellent task. The old local boards that made rates had machinery well geared for the duties performed. The agents took particular pride in their rating activities. However, a new day is here and we must bow to the inevitable.

Insurance in War Time

NATURALLY in these war times with all the dislocations, priorities, restrictions and regulations, business enterprises

cannot function in a normal way. The public will have to make allowance for a number of frailties and the lack of the

old time service. However, in case of some lines of business there seems to be a tendency to use the present situation as an excuse for infractions and unsatisfactory service when, in fact, the fault rests at headquarters. People see a growing tendency on part of different concerns to be indifferent to the public and they also point out lines of procedure that could be greatly improved, even under adverse conditions.

The people at large are willing to make sacrifices and to take without complaint results that they feel might have been ameliorated or avoided. However, there is a bad taste in the mouth of the public in regard to some enterprises not

doing what they might.

Fortunately the insurance industry is standing up magnificently. It was felt desirable to maintain its services at the highest peak and there have been very few cases where this has not been the case. The insurance people have deemed it highly necessary to keep faith with the public, to win its confidence and to so conduct itself that criticism will be undeserved and not justified. The insurance folks have not used the war as an excuse for not marching along aggressively and advancing in order. So far as we are able to judge, insurance in all its classifications is giving a good account of itself.

PERSONAL SIDE OF THE BUSINESS

D. A. Bickheart, Cook county, Ill., special agent of Phoenix of Hartford, is convalescing at his home following an illness and physical check-up at the Oak Park hospital. He is well on the road to recovery but will take a short rest before returning to his office.

E. M. Levy, Levy & Levy agency, San Antonio, and Mrs. Levy have announced the marriage of their daughter, Betty Jane, to Lt. Arthur A. Lefkowitz of Brooklyn. **W. R. Levy** of the same agency is receiving congratulations of friends upon the arrival of his first grandson, Richard Dale Jones, born to Lt. and Mrs. Dale C. Jones.

Miss Marie Moynagh, underwriter in the R. M. Neely & Co. general agency at St. Paul for several years, and Oscar Orvald, Minneapolis, were married. Mrs. Orvald will continue her agency work.

Samuel C. Davis, Nashville, for 35 years a director of the American Drug-gists' Fire, is a candidate for a fifth term as representative in the Tennessee legislature.

At the annual meeting of the St. Paul Community Chest, **F. R. Bigelow**, chairman of the St. Paul Fire & Marine, was a guest of honor and was presented with a certificate for his "long and devoted service."

W. Eugene Harrington of Atlanta, former president National Association of Insurance Agents, who has been invalided for some time, is now back at his office doing less work and watching his step.

Milford T. English, adjuster with his father, Thomas J. English, St. Louis, is the father of a son, Michael Thomas.

John J. O'Toole, Jr., of F. D. Hirschberg & Co., St. Louis, is the proud father of a boy, John J., 3d. The grandfather, John J. O'Toole, is secretary of the agency and immediate past president of the St. Louis Board.

Miss Florence Holmes was honored on her 25th anniversary with Bachelor and Biehl Insurance Agency, Galion, O., by 28 company representatives and friends. At the dinner a pearl necklace and several other gifts were presented to Miss Holmes.

A lake resort near the Twin Cities that caters particularly to insurance men is being operated at Forest Lake, Minn., by **Frank Yetka**, former Minnesota commissioner. During his term

as commissioner he acquired a summer home on Forest Lake. Since then he has added four cabins which he rents. Forest Lake, a short drive from Twin Cities, is popular with fishing enthusiasts.

Jess G. Read is launching his campaign for reelection as Oklahoma commissioner. He has held that office for 19 years.

John E. Mulqueen, Cedar Rapids, Ia., manager of Underwriters Adjusting, was married to Miss Lucy Elizabeth.

Jerome J. Morrison, head of the Morrison, Wallace & Co. agency, Memphis, Tenn., received the honorary degree of Litt.D. at the commencement of Subiaco College, Subiaco, Ark., his alma mater.

J. B. Dirkers, special agent of American in Indiana, is the father of a baby girl. Mr. Dirkers went to Indiana a few months ago from the Western Factory Association.

C. J. Wittbecker, state agent of St. Paul Fire & Marine, Fergus Falls, Minn., expected to be able to leave the hospital at Rochester this week. He recently had an operation from which he is recovering satisfactorily.

O. B. Brown, secretary of Firemen's, Chicago, now has a two-star service flag hanging in his office. **Budd G. Brown**, who has been traveling for the Marine Office of America in Indiana, now is an ensign in the naval reserve at Notre Dame University, and **Robert B. Brown**, the second son, is a lieutenant in the marine corps at Quantico, Va. Mr. and Mrs. Brown visited Robert B. at Quantico last week.

DEATHS

Francis H. Williams, 76, vice-president and director of Springfield F. & M. and affiliated companies, died at the Springfield (Mass.) Hospital. Mr. Williams had served Springfield for almost 50 years and, in an official capacity, longer than any other person connected with the company. He joined Springfield as bookkeeper in 1893, was elected treasurer in 1899 and vice-president in 1928.

Charles F. Lee, 88, president of Lee, Fraser & Patch, Beverly, Mass., died.



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"Please be careful with your cigar—Mr. Gambrell,—we want to keep our fire insurance rates down!"

He was in the insurance business for 60 years. He was first city treasurer of Beverly and treasurer of a cooperative bank.

J. Edwin Moran, 33, Clinton, Ia., local agent, was killed when his automobile careened off the highway near Clinton and landed in a water filled ditch.

Malcolm W. MacDonald, 81, retired St. Louis local agent, died there. He operated the agency from 1882 until 1922, when he retired.

W. R. Baker, 48, who served as insurance commissioner of Kansas from 1923 until 1929, died in Kansas City, Kan., after an illness of some time. About a month ago he underwent an operation for removal of an eye. He was familiarly known as Captain Baker, having served overseas as captain in the former war and returning as a major. He graduated from University of Kansas law school in 1915. He was assistant commissioner of Kansas from 1919 to 1923. At the time of his election as commissioner he was the youngest man ever to be elected to state office in Kansas. He was a lawyer and was engaged in a good deal of insurance work. His law firm was Henning & Baker of Kansas City, Kan., his former partner being E. H. Henning, now president of Illinois Bankers Life.

Miss Ida M. Mahoney, superintendent of the Buffalo stamping department of the New York Fire Insurance Rating Organization, died Monday morning. She had served in her position 47 years, including service with the predecessor organization Buffalo Association of Fire Underwriters.

Edward A. Seeley, 82, local agent at Fond du Lac, Wis., for 35 years, died at his home there.

Harry S. Norton, who retired as superintendent of agencies in the western department of American, Jan. 1, under the pension plan, died at his home in Rockford, Ill., after an illness of several months. He was born at Cherokee, Ia., in 1876 and went to Rockford as a boy. He started with the old Rockford Insurance Company which was reinsured by American in 1899. His entire insurance experience totaled nearly 50 years. After serving as an examiner in the western department for several years he served as state agent in Wisconsin about 20 years and was largely responsible for the development of the company in that

state. He was appointed superintendent of agencies in 1928. Funeral services were held Monday afternoon.

Roger H. Kemper of Cincinnati, one of the old time local agents in that city, died Tuesday at his home in the Verona apartments. He had been ill for some time and was confined to the hospital but a month ago was taken to his home. Mr. Kemper for many years was Cincinnati local manager for Aetna Fire.

Mark Timm, local agent of Osceola, Neb., is dead as the result of an accident.

Incorporated Plan May Be Abandoned

A number of local agencies that incorporated in order to define more clearly interests in the business are discussing whether to dissolve and return to a partnership basis. The income tax situation has affected smaller corporations very much. For instance, the Edward A. Woods Company of Pittsburgh, general agent of the Equitable Life of New York, one of the largest life agencies, if not the largest in the country, has decided to dissolve as a corporation. A number of agents were partners.

The tax situation began to make a real impact. The prospect of greatly increased corporate income taxes has given impetus to the recent tendency of small businesses to organize or reorganize as partnerships rather than corporations. In a number of cases small corporations whose stock is closely held have dissolved their corporate existence. The reason is that corporation dividends to stockholders are paid only after taxes have been deducted, whereas a partnership pays no tax on its income as such. The partners are taxed as individuals but unless their share of total income falls into the higher brackets where the individual rate is higher than the corporate, their net income after taxes will be larger as partners than as stockholders.

President J. D. Smart and Secretary Addison I. Doling of the New Hampshire Fire, visited the Los Angeles office of their company.

NEW YORK

STATEN ISLAND TOURNAMENT

The annual golf tournament of the Richmond County Association of Local Agents will be held June 18 at the Richmond County Country Club, Staten Island. Luncheon will be followed by the tournament. Company officials and field men are particularly invited and the usual prizes will be offered. R. S. Bainbridge, 30 Bay street, Staten Island, is chairman of the arrangements committee.

LITTLE INVESTMENT PROFIT

Officers of fire companies realize that the main profit these days must come from underwriting. In years gone by if the underwriting department showed a loss the bridge was gapped by income from investments. The investment income took care of all stockholders' dividends and a neat sum was added to surplus every year from that department. Now with interest rates so low, dividends in many cases being reduced and companies feeling obliged to buy federal bonds at a low interest rate, the income from investments is pared down materially. Therefore companies are urging their underwriters to be alert to all

changes and effects and not take too great chances.

STRAIN ON OFFICE MANAGERS

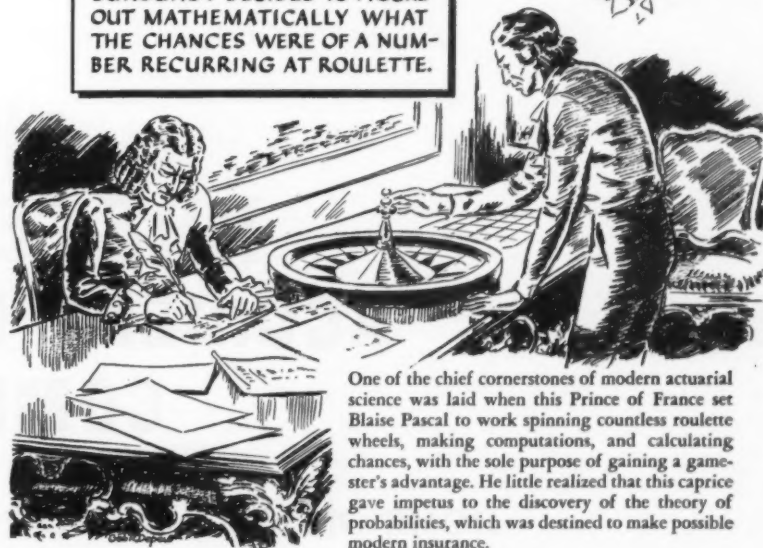
With so great a number of young men going into military service, the strain on office personnel is becoming greater. Office managers are put to it to fill up the gap. Work is being distributed among others, new help is being brought in. In some offices women who have retired from active service are being induced to return during the duration or as long as they can. The supervising people have an extra responsibility because it takes much time to look after the employes who are not sufficiently trained.

EFFECT OF STORM LOSSES

Companies in going over their loss records for this year have had to take into account the large number of tornado claims which have really made a severe dent in the year's results. A number of companies were hit by the fire at Fall River, Mass., and others have suffered rather severe losses elsewhere. Windstorms in the central west, Oklahoma and Texas, run up into large money. The cases were many in number and it happened that some losses were large. The comprehensive policy has brought in thousands of assured in the tornado class not previously covered.

Highlights in Insurance History

ABOUT THE MIDDLE OF THE 17TH CENTURY A DUKE OF BURGUNDY DECIDED TO FIGURE OUT MATHEMATICALLY WHAT THE CHANCES WERE OF A NUMBER RECURRING AT ROULETTE.



One of the chief cornerstones of modern actuarial science was laid when this Prince of France set Blaise Pascal to work spinning countless roulette wheels, making computations, and calculating chances, with the sole purpose of gaining a gamester's advantage. He little realized that this caprice gave impetus to the discovery of the theory of probabilities, which was destined to make possible modern insurance.

The basic motive for the purchase of insurance is man's age-old desire to relieve himself and his family of the risk of financial set-back—whether it be by reason of death, fire or other hazards to his property. By providing adequate protection that is indi-

vidually suited to the needs of his assureds, the insurance agent renders a vital, all-important service to his fellow men! National Union and Birmingham agents are backed all the way, with modern efficient service, and friendly cooperation!

National Union and Birmingham

FIRE INSURANCE COMPANIES
PITTSBURGH • PENNSYLVANIA



"Prompt Paying Preferred"

50 + YEARS *of* SERVICE

"PROMPT PAYING PREFERRED," a phrase coined long ago, is a slogan by which this Company is known widely among Agents, Brokers and Policyholders alike.

Now rounding out 57 years of service, the continuing success of the Preferred is built upon a policy of steady, natural growth. Emphasis on intelligent insurance

underwriting, both in the field and home office, and prompt settlement of claims has assured this growth.

That the course the Preferred has followed met the approval of Producers of the highest type throughout the nation, is evidenced by the fact that the mutually profitable relationships between the Company, its Agents and Brokers are usually of many years' standing.

THE PREFERRED ACCIDENT INSURANCE COMPANY

HOME OFFICE, 80 MAIDEN LANE, NEW YORK, N. Y.

EDWIN B. ACKERMAN, *President*

AUTO ACCIDENT BURGLARY PLATE GLASS LIABILITY

The NATIONAL UNDERWRITER

June 4, 1942

CASUALTY AND SURETY SECTION

Page Nineteen

Virginia Agents Name C. D. West at Annual Parley

Set Up Committee to Study Windstorm Rates; Act On Regional Council

NEW OFFICERS ELECTED

President—Caleb D. West, Jr., Newport News.
Vice-president—Jacob Haun, Woodstock.
Treasurer—B. W. Sebrell, Jr., Lawrenceville.
Manager—Samuel Bigelow.
Regional vice-presidents — John T. Minter, Norfolk; Fergus A. Goodridge, Richmond; John H. Cato, Jr., Petersburg; Frank Hundley, Bassett, and Russell Cover, Staunton.

RICHMOND—The Virginia Association of Insurance Agents at its annual convention here approved the formation of a fact-finding group to be known as a regional council composed of the District of Columbia and adja-



C. D. West, Jr.



E. T. De Jarnette

cent state organizations, for the purpose of exchanging ideas and information. Joint discussion of common problems will benefit insurance because of the many changes taking place, agents feel. Directors were authorized to name delegates to the council. Delegates are not empowered to act on any matter affecting the Virginia association unless authorized by directors.

Caleb D. West, Jr., of Newport News, the new president, succeeds E. T. DeJarnette of Richmond.

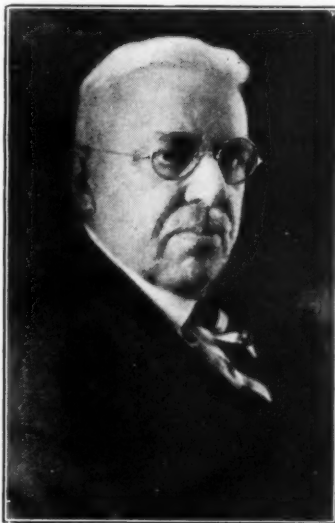
Windstorm Rates Too High

Members of the conference committee and officers of the association were directed by the convention to try to bring about correction of many inequities and inconsistencies prevailing in the Virginia windstorm rating procedure. Although statistics show that the loss ratios on windstorm and extended coverage in Virginia are much lower than the national average, it was pointed out that the rates in Virginia are generally much higher than in most adjacent states where loss ratios are considerably higher. It was suggested

(CONTINUED ON PAGE 30)

W. G. Cowles, Pioneer of Casualty Covers, Dies at 85

Walter Goodman Cowles, 85, who wrote the first automobile insurance policy on record, and had been a vice-president of Travelers for 30 years, died Saturday at his home in West Hartford, Conn., following an illness of two days. He was active until the last few weeks



W. G. COWLES

before his death and had been accustomed to spending more than three-quarters of the normal working day at his desk.

A true pioneer, endowed with the intellectual curiosity, foresight, and courage that marked all leaders of the age of great mechanical and inventive progress in which he lived, Mr. Cowles not only originated and helped develop several of the most important lines of insurance, but led most laymen in the acceptance and promotion of such inventions as the typewriter, telephone, automobile, airplane, and radio.

Born in Farmington, Conn., Mr. Cowles was a descendant of John Cowles, who was educated at Connecticut Literary Institute at Suffield, and Yale University Law School, from which he was graduated in 1879.

Became Batterson's Secretary

Mr. Cowles entered the insurance business in 1883, when he became private secretary to James G. Batterson, founder and first president of Travelers. Not long afterwards, Mr. Batterson, an amateur archeologist of note, asked him to make some copies of a series of lectures on Egypt. Mr. Cowles, who had used typewriters since 1876, suggested that the copies be typewritten and his employer thereupon bought the first machine Travelers acquired. Soon, he detailed Mr. Cowles to look into the question of a telephone for the office, and it was not long before a quaint wall model hung just to the right of the entrance.

In 1884, Mr. Cowles, who had tried several legal cases for Mr. Batterson, was transferred to the company proper with the title of attorney of the mortgage loan department. Before the end

April Auto Deaths Down 14%, Safety Council Says

Automobile fatalities in April totaled 2,280, a decline of 14 percent from the same month a year ago, according to the National Safety Council. For the first four months the fatalities numbered 10,160 as compared with 10,890 in 1941 or a drop of 7 percent.

of the year he was sent into the west to straighten out a knotty business situation in Kansas and succeeded so well that he remained in that part of the country for nearly 10 years. His headquarters during most of the period was at Abilene, Kan., though for a time he was located at Denver.

In 1894, Mr. Cowles was called back to the home office and directed to organize a liability claim department. This he did with two clerks and a stenographer. Under his direction liability insurance soon became one of the major lines and in 1904, he was appointed secretary of the department, being given charge of underwriting while retaining the direction of claim procedure.

For more than 40 years before his death, Mr. Cowles had been an authority on liability insurance. He devised many policy contracts, manuals and methods of procedure which have become part of the standard practice of organizations which underwrite liability coverage.

Auto Insurance Pioneer

As early as 1895, he began proposing that Travelers write automobile insurance. His first interest in the project was aroused by Stephen Duryea, pioneer automobile designer, who gave him a few rides in his original, steel-tired vehicle. Although there was some opposition within the company to Mr. Cowles' proposals, he had the wholehearted support of Mr. Batterson and of Sylvester C. Dunham and Louis F. Butler, who were to be the first president's successors. Starting in 1896, therefore, Mr. Cowles began adapting teams liability insurance to the purposes of the new "horseless carriage."

In the summer of 1899, he had managed to save up enough money to buy himself an automobile. It was one of the first six in Hartford. Two years later he prepared and issued the first policy designed solely to cover the hazards of automobile operation.

In 1906, Mr. Cowles visited the world's fair in St. Louis and while there was attracted to a German exhibit of the workings of the compensation plan which had been established a few years before in Germany. He secured all the translations available of pamphlets and other materials included in the exhibit and began the serious study of workmen's compensation, believing it was sure to come in the United States. As a matter of fact, he wrote an experimental compensation policy before there was any law. However, it was not widely accepted. In those days a line of insurance known as workmen's collective was the nearest approach to compensation, and that was carried by the accident department of Travelers, as it was merely accident insurance.

The first American compensation law of importance was adopted in New York

(CONTINUED ON PAGE 20)

A.M.A. Insurance Parley Is Largest Yet Conducted

Attendance of 600 Attributed to Interest in War Time Problems

NEW YORK—Interest in insurance problems growing out of the war resulted in an attendance at the American Management Association insurance conference which broke all records. The final figure was just under 600, better than 100 ahead of the previous high mark which was set at the meeting a year ago in New York City. Interest was also indicated by the number of requests already received by A. M. A. headquarters for copies of speeches, particularly that of President H. T. Freeman of Manufacturers Mutual Fire on the War Damage Corporation setup, which was covered in last week's issue. The fine job Reginald Fleming has done as vice-president in charge of the insurance division was evidenced by his selection for a second term. He is insurance manager of Commonwealth & Southern Corporation.

Advisers' Fees Affected

During the session on insurance requirements of governmental contractors, a development was disclosed which may be of considerable importance to agents, brokers and others acting as advisers under the government's comprehensive insurance plan. There is apparently a growing tendency on the part of subcontractors to refrain from using the cost-plus system but to contract with the prime contractor on a price-per-unit or lump sum basis. Under these conditions the subcontractor cannot use the comprehensive insurance plan but has his insurance on the regular basis.

The result is that the prime contractor's insurance adviser not only has to take care of all the details of the prime contractor's coverage but must also check over the subcontractor's insurance setup to see that coverage is adequate. This means that because so large a percentage of the prime contractor's work is farmed out the coverage under the comprehensive plan is so small, relatively, that the adviser's fee is nowhere near in line with the work he is doing. The subcontractor's broker, on the other hand, because of the work done by the adviser not only in handling the insurance requirements but in overseeing the establishment of hospital facilities and safety work, has comparatively little to do.

Fear Loss of Machines

The reason that many subcontractors prefer to avoid the cost-plus basis has nothing to do with the insurance, of course, but is due to the recapture clause normally contained in their con-

(CONTINUED ON PAGE 31)

Compensation Experience

Country-wide earned compensation premiums of stock casualty companies operating in New York state last year amounted to \$164,601,215 and the loss ratio was 56.7 and expense ratio 41.3. There was thus a net gain of 2 percent. The mutual companies licensed in New York had earned premiums last year of \$104,150,377 with a loss ratio of 59.2, expense ratio 23.1 and a net gain

of 17.7 percent. The following table was prepared by the New York department. The record for individual companies and stock and mutual totals are given for years 1932-1941 inclusive.

Attention is called by the New York department to the effect on loss ratios of a large volume of premiums written under the war department plan and other retrospective rating plans of vari-

ous types and also graduated premium discount plans or their equivalent. The allowance for losses in the collected premium may range substantially higher than 60 percent without necessarily producing an underwriting loss under such plans. The loss ratios on total combined business, therefore, would not represent the results on business written on the standard manual basis.

STOCK COMPANIES

Company	Premiums Earned	Underwriting Ratios			Analysis of Incurred Expense Ratios						
		Loss	Expense	Net Gain	Claim Adjustment	Acquisition & Field Supervision	General Administration	Inspection and Bureau	Taxes and Fees	Federal Income Tax	
Aetna & Cas.	273,935	70.6	61.6	—32.2	10.3	26.5	13.9	6.8	4.1	..	
Aetna Cas.	14,969,417	56.1	41.2	2.7	7.9	16.9	9.9	2.5	3.3	..	
Aetna Life	20,781	118.7	264.0	—282.7	233.3	9.9	42.7	—22.6	..	..
American Auto	23,348	81.7	150.5	—132.2	15.0	57.0	63.3	11.0	3.8	..	
American Employers	3,021,442	57.4	38.3	4.3	7.9	17.7	8.2	2.2	2.5	—2	
American Guar. & Liab.	42,028	46.6	40.6	12.8	2.5	15.8	11.4	1.5	9.4	..	
American Motorists	2,685,916	61.4	25.6	13.0	6.9	7.6	7.2	1.7	2.2	..	
American Policyholders	29,429	64.3	21.1	14.6	13.2	—39.3	31.3	8.2	5.9	1.8	
American Re-Ins.	723,890	56.4	33.6	10.0	..	15.1	7.1	..	1.0	9.9	
American Surety	1,481,246	55.2	47.8	—3.0	8.1	21.2	12.6	2.0	3.9	..	
Arex Indem.	117,881	64.6	38.1	—2.7	14.3	7.9	9.3	2.1	4.5	..	
Associated Ind.	4,188,878	56.5	29.6	13.9	6.2	12.2	4.9	1.6	3.8	..	
Bankers Indem.	1,522,761	62.2	47.3	—9.5	12.8	16.6	12.8	2.2	2.9	..	
Car & General	544,243	55.2	40.6	4.2	8.2	21.0	6.6	2.0	2.8	..	
Central Surety	1,708,430	55.6	40.8	3.6	8.6	21.5	6.1	1.4	3.2	..	
Century Indem.	1,851,772	62.6	48.5	—11.1	12.2	21.6	9.5	2.3	2.9	..	
Columbia Cas.	820,833	53.8	47.1	—9	9.6	19.0	12.7	1.8	4.0	..	
Commercial Cas.	309,888	87.9	60.1	—48.0	22.0	18.1	14.8	2.4	3.1	..	
Connecticut Indem.	41,511	59.4	49.2	—8.6	9	37.1	16.8	2.7	3.9	—2	
Continental Cas.	4,298,279	49.4	41.0	9.6	10.6	18.6	6.9	1.9	3.0	..	
Eagle Indem.	961,464	56.4	40.4	3.2	7.5	18.4	8.4	2.4	3.8	—1	
Employers Liab.	9,500,168	58.2	40.9	5.9	7.8	18.6	8.9	1.8	3.6	..	
Employers Reins.	587,185	52.0	42.5	5.5	2.6	29.4	4.9	1.9	1.6	2.1	
European Genl. Re.	181,225	64.9	56.4	—21.3	1.8	52.5	2.0	..	..	..
Excess	156,607	89.0	26.9	—15.9	6.2	7.3	10.5	..	2.9	..	
Fidelity & Casualty	8,782,646	55.8	38.4	5.8	8.1	18.5	6.4	1.9	3.4	..	
Fireman's Fund Ind.	1,823,890	55.0	45.9	—9	11.0	17.7	10.8	2.7	3.7	..	
General Accident	4,352,304	43.8	40.1	16.1	8.8	16.5	5.7	1.6	3.2	4.3	
General Cas., Seattle	40,058	62.9	40.9	—3.8	10.9	15.8	6.8	2.9	4.5	..	
General Reins.	613,839	34.2	21.0	44.8	1.3	12.0	5.5	..	2.3	—4	
General Tr. C. & S.	131,739	77.4	22.7	—1	12.9	..	5.6	..	3.0	..	
Glens Falls Indem.	1,841,974	56.1	46.5	—2.6	9.7	20.7	10.5	1.6	4.0	..	
Globe Indem.	4,039,094	50.7	40.9	8.4	8.1	17.7	7.3	2.3	2.8	2.7	
Great Amer. Indem.	2,517,630	53.3	48.6	—1.9	10.9	17.3	14.9	2.0	3.7	—2	
Hardware Indem.	21,530	66.8	—19.0	52.2	18.2	—125.8	66.8	5.9	15.6	..	
Hartford Acc.	11,966,254	66.4	41.3	—7.7	9.3	17.0	9.0	2.5	3.5	..	
Indem. of N. A.	2,313,014	45.2	46.6	8.2	10.0	18.3	9.6	2.1	4.1	2.5	
London Guar.	2,637,380	60.4	44.4	—8.8	8.8	17.3	12.7	2.4	3.4	..	
London & Lanc. Ind.	40,460	52.4	52.4	—10.2	13.7	16.8	18.0	2.3	3.6	..	
Manufacturers Cas.	1,520,836	58.2	32.2	9.6	7.6	12.1	8.6	1.3	2.8	—2	
Maryland Cas.	7,547,229	58.5	44.1	—2.6	9.4	20.3	7.8	3.2	3.4	..	
Mass. Bonding	2,726,627	55.2	46.4	—1.6	10.9	20.0	9.8	2.6	3.1	..	
Merchants Indem.	11,245	35.5	30.2	34.3	4.9	12.8	9.5	..	2.6	..	
Metropolitan Cas.	324,968	83.5	57.4	—40.9	20.2	17.5	13.7	2.9	3.1	..	
National Cas.	312,424	52.0	43.6	4.4	11.0	18.6	8.5	2.4	3.1	..	
New Amsterdam Cas.	3,990,355	60.9	44.1	—5.0	10.9	18.0	10.2	1.7	3.3	..	
New England Cas.	19,519	109.4	65.4	—74.8	12.9	29.4	14.8	4.4	3.9	..	
New York Cas.	751,666	69.9	41.1	—11.0	9.3	15.8	8.9	3.1	4.0	..	
Norwich Union Indem.	39,887	99.4	68.1	—67.5	8.7	20.1	19.0	..	..	..
Occidental Ind.	461,698	56.8	40.4	2.8	9.4	16.5	10.1	1.9	2.5	..	
Ocean Acc.	2,632,509	47.3	45.7	7.0	9.7	17.1	13.6	1.4	3.9	..	
Peerless Cas.	12,042	8.6	39.9	51.5	..	29.5	7.6	..	2.8	..	
Phoenix Indem.	1,207,068	61.5	39.9	—1.4	7.3	17.4	9.6	1.7	3.9	..	
Preferred Acc.	43,387	41.3	64.5	—5.8	13.6	27.2	14.1	6.3	3.3	..	
Royal Indem.	4,507,813	52.4	40.1	7.5	8.0	16.5	8.0	2.2	3.2	2.2	
St. Paul Merc. Ind.	1,081,286	62.8	42.1	—4.9	9.3	17.6	9.2	2.4	3.5	..	
Seaboard Surety	4,950	68.0	32.0	4.9	10.6	10.5	10.5	2.2	3.2	5.4	
Standard Acc.	4,663,874	52.3	41.4	6.3	7.9	19.0	8.7	2.2	3.1	..	
Standard Surety & Cas.	644,803	61.0	45.8	—6.8	11.2	19.5	9.0	2.5	3.5	..	
Sun Indemnity	672,488	58.5	43.4	—1.9	11.3	15.6	9.8	2.0	3.3	1.4	
Travelers Indem.	1,777,272	60.7	41.1	—1.8	6.8	18.1	10.2	2.9	2.9	..	
Travelers	20,244,369	56.4	39.1	4.5	7.0	16.9	8.4	3.0	3.8	..	
United States Cas.	2,867,414	68.3	42.6	—10.9	11.5	18.0	7.1	1.7	4.3	..	
U. S. F. & G.	9,736,112	55.0	42.2	2.8	8.7	18.1	9.2	1.7	5.2	..	
United States Guar.	123,427	53.4	69.9	—93.3	31.8	12.8	23.6	—3.8	5.1	..	
Zurich	5,125,728	51.3	45.4	3.3	11.6	16.7	10.5	2.9	3.0	..	
Totals 1932	94,484,000	71.6	46.7	—18.3	12.3	17.7	11.1	3.5	2.0	..	
Totals 1933	83,921,000	73.3	47.2	—20.5	12.3	18.0	11.3	3.3	2.2	..	
Totals 1934	98,010,000	62.2	42.6	—4.7	10.0	18.0	9.8	2.4	2.3	..	
Totals 1935	107,070,000	60.4	42.2	—2.6	9.6	17.8	9.3	2.4	3.1	..	
Totals 1936	122,062,000	58.3	40.7	1.0	8.9	17.5	8.8	2.3	3.2	..	
Totals 1937	141,773,000	52.8	40.4	6.8	8.4	17.3	8.5	2.3	3.9	..	
Totals 1938	134,679,000	50.7	42.8	50.7	7.6	17.6	8.4	2.4	3.5	..	
Totals 1939	132,404,000	54.6	42.7	2.7	9.2	17.7	9.4	2.6	3.3	..	
Totals 1940	134,567,041	55.8	43.2	1.0	9.4	17.9	9.5	2.6	3.3	..	
Totals 1941	164,601,215	56.7	41.3	2.0	8.7	17.5	8.9	2.3	3.4	..	

MUTUAL COMPANIES

American Mut. Liab.	\$20,320,042	57.5	23.0	19.5	7.0	3.8	7.3	2.5	2.4	..	
Bakers Mutual	643,633	54.1	25.3	20.6	6.7	6.4	8.0	1.5	2.7	..	
Butchers Mut. Cas.	1,417,841	55.4	30.9	13.7	8.3	9.7	7.0	3.1	2.8	..	
Coal Merch. Mut.	434,103	36.8	29.4	33.8	7.4	6.7	11.2	..	3.2	..	
Electric Mut. Liab.	361,624	62.0	9.7	2.2	..	..	..	..	1.0	..	
Employers Mut. Liab.	16,750,291	51.8	20.9	27.3	5.3	5.6	3.9	4.2	1.9	..	
Exchange Mut. Indem.	541,195	63.7	31.2	5.1	5.3	23.1	..	..	2.2	..	
Hardware Mut. Cas.	3,322,259	59.4	32.3	8.3	8.5	12.9	6.7	1.9	2.3	..	
Hudson-Mohawk Mut.	376,364	56.1	35.2	8.7	12.1	5.1	10.4	4.0	3.6	..	
Interboro Mutual	1,382,642	68.7	25.8	5.5	10.4	4.5	6.1	2.0	2.8	..	
Jamestown Mutual	1,157,090	46.2	30.7	23.1	11.4	7.1	7.7	1.6	2.9	..	
Liberty Mutual	35,709,797	65.7	20.1	14.2	6.8	3.0	4.8	2.9	2.6	..	
Lumber Mutual Cas., N. Y.	1,737,119	61.5	31.1	11.4	8.2	6.9	8.4	2.2	3.4	..	
Lumbermen's Mut. Cas., Ill.	12,102,392	58.4	27.5	14.1	7.6	8.0	7.5	2.4	2.0	..	
Merchants Mut. Cas.	386,585	47.0	37.0	16.0	13.7	10.4	7.6	2.2	3.1	..	
Mutual Casualty	180,942	46.0	35.7	18.3	8.8	5.9	20.2	..	3.3	..	
N. Y. Pr. & Book	367,594	59.4	22.1	18.5	6.7	3.7	7.8	1.1	2.8	..	
Public Service Mut.	595,683	32.7	42.9	24.4	12.9	14.4	11.0	..	3.7	..	
Security Mut. Cas.	1,665,754	61.9	15.1	23.0	7.4	2.1	3.4	2.6	1.6	..	
Utica Mutual	3,818,670	56.5	25.5	8.8	8.3	..	8.1	2.5	2.8	..	
Utilities Mutual	878,757	42.7	20.8	36.5	10.4	..	5.0	..	2.1	..	
Totals 1932	25,227,000	58.0	27.3	14.7	10.2	5.5	6.6	3.6	1.4	..	
Totals 1933	23,722,000	63.7	27.4	8.9	10.4	5.4	6.7	3.6	1.3	..	
Totals 1934	34,423,000	61.3	23.0	15.7	8.1	4.7	5.5	2.9	1.8	..	
Totals 1935	43,882,000	57.7	22.7	19.6	7.4	4.6	5.7	2.6	2.4	..	
Totals 1936	54,711,000	58.1	21.7	20.1	7.1	4.3	5.8	2.5	2.0	..	
Totals 1937	70,297,000	54.3	21.3	24.4	6.5	4.2	5.7	2.5	2.4	..	
Totals 1938	74,292,000	53.0	23.1	23.9	7.1	5.3	6.3	3.0	2.4	..	
Totals 1939	75,825,000	54.0	22.3	22.3	7.2	5.3	6.3	3.0	2.4	..	
Totals 1940	82,488,852	55.3	23.6	21.1	6.9	5.4	6.0	3.0	2.3	..	
Totals 1941	104,150,377	59.2	23.1	17.7	7.1	4.9	5.9	2.8	2.4	..	

Hill Plan Is Approved for Use in Bay State Under Official's Ruling

The Hill plan for handling insurance covering risks awarded on a cost plus basis may now be used in

Auto Rules Revised, Medical Payments, Layups Extended

NEW YORK—The National Bureau of Casualty & Surety Underwriters, in making a number of changes in the automobile casualty manual, has authorized medical payments coverage for school buses, extended public automobile policies to provide full additional interests coverage and authorized layup credits on fleet policies. The changes are effective as of June 1.

As is done with private passenger automobiles, the medical payments premium for school buses is based upon the bodily injury liability premium of the bus. Depending on this and on the type and seating capacity of the bus, the charges run from \$5 to \$20.

Limit Per Accident

School bus medical payments insurance is based upon a limit per person of \$250 and, unlike private passenger business, a \$2,500 limit per accident. There is no limit per accident in medical payments coverage for private passenger cars. The new rules make no provision for increasing the medical payments limits for school buses.

The public automobiles rules give these vehicles the same additional interests coverage as private passenger and commercial automobiles, the policy covering anyone using the automobile or responsible for its use, provided it is used with the permission of the named assured. The regular exclusions of liability to a named assured, use of a trailer not insured in the same company, coverage for garages and similar businesses and liability of one employee to a fellow employee apply. The only exception is that bus policies shall not cover the owner of a borrowed or hired bus.

Fleet Layup Credits

Under the old rules, only a few additional interests were covered without extra charge, mainly employees of the owner of the automobile, organizations responsible for its use, trustees, board members and controlling corporations, subject to a number of limitations for different classes. Additional assured called for a 5 percent increase in premium.

The new fleet rule provides for pro rata credit on any automobile out of service for at least 60 consecutive days, provided advance notice of suspension is given the company. It is expected that this rule will be used to a considerable extent in view of gasoline rationing, tire shortages and delivery curtailments.

The non-ownership liability rule for covering regular and frequent use of commercial automobiles by the assured's employees at 75 percent of the specified car rate has been modified. This charge is reduced to 10 percent if the automobile is insured directly in the

(CONTINUED ON PAGE 28)

40 Years



GEORGE TRAMEL

The office of George Tramel, Chicago manager of Aetna Casualty, Tuesday, was bulging with bouquets of flowers, his desk was piled with telegrams and letters and throughout the day he was kept busy answering phone calls from those offering good wishes. It was his 40th anniversary with the Aetna Life organization and his associates in Chicago and at the home office had diligently spread the word about with the result that Mr. Tramel was completely snowed under with messages from friends. Mr. Tramel holds undisputed title to the position of dean of casualty company managers in Chicago.

Career Is Recalled

Although Mr. Tramel has been with the Aetna Life companies 40 years, he has been in the business altogether close to 50 years. He started in 1893 with the old American Casualty of New York. When that company went under he became an office agent for Frankfort General in Chicago. Then in 1902 he became a partner in the casualty department of D. W. Burrows & Co., which was general agent for the accident and liability department of Aetna Life. In 1905 the agency became Burrows, Marsh & McLennan in which Mr. Tramel was a partner in the casualty department.

Opens Branch in 1913

Mr. Tramel was assigned to open the Chicago branch office for Aetna Casualty in 1913. At that time the new Illinois compensation law was new and Mr. Tramel aided in drafting plans for handling that coverage. He also assisted in revision of the employers liability manual.

Mr. and Mrs. Tramel celebrated their 50th wedding anniversary last October. A son, Forsyth Tramel, is an office agent with Aetna Casualty in Chicago.

Casualty Premiums Up 13.4% in Illinois in 1941, and Losses Are 15.7% Higher

Casualty companies operating in Illinois did almost 13.4 percent more business in 1941 than in 1940, and paid out as reported losses approximately 15.7 percent more than in the year previous, the Illinois department finds. The 242 companies had net premiums last year of \$115,056,546, which was an increase of \$13,555,388 over 1940.

Domestic stock companies had premiums of \$12,665,083, increase 19.2 percent; losses paid showed an increase of 20.9 percent.

Stock companies of other states had premiums of \$57,135,519, an increase of 13.7 percent; Losses paid showed an increase of 19.2 percent.

Stock companies of other countries had premiums of \$9,722,520, increase 6.1 percent; Losses paid increased 8.8 percent.

Domestic mutuals had premiums of \$11,435,701, increase of 16.6 percent; Losses paid increased 18.8 percent.

Foreign mutuals had premiums \$9,012,333, increase 9.6 percent; Losses paid increased 14.5 percent.

Domestic reciprocals had premiums \$4,100,874, increase 14.6 percent; Losses paid increased 30.3 percent.

Foreign reciprocals had premiums \$567,061, increase 8.7 percent; Losses paid decreased 4.4 percent.

London Lloyds had premiums \$2,875,191, decrease 7.7 percent; Losses paid increased 23.4 percent.

Domestic assessment accident and health companies had premiums \$2,716,243, increase 4.3 percent; Losses paid increased 4 percent.

Foreign assessment A. & H. companies had premiums \$1,518,239, increase 10.9 percent; Losses decreased .2 percent.

Domestic assessment life companies (casualty department) had premiums \$362,149, increase 23 percent; Losses increased 51.3 percent.

Foreign assessment life companies had premiums \$6,438, increase 37.7 percent; Losses increased 11.5 percent.

Non-profit hospital service corporations had premiums \$2,939,190, increase 51.7 percent; Losses increased 53.7 percent.

Newhouse & Sayre's Contribution

In the article in the May 21 edition referring to the insurance requirements of the civil air patrol, inadvertently the fact was omitted that Newhouse & Sayre, operating in the aviation field for the Employers Group, had a part in the preparation of the insurance for the patrol.

The article should have made clear also that the liability insurance need only be carried when the operations which are performed are done at the request of and with funds furnished by any federal or state government or any subdivision, unit, department or agency thereof. For ordinary civil patrol practice flying no insurance need be carried.

Hope State People Will Step Lightly

Insurance Companies Trying to Reduce Calls for Additional Data

Insurance offices are finding it increasingly difficult to carry on their ordinary work on account of the war situation, as so many young men are called to the military service. Many of these are key men, experts, specialists. It is difficult to fill the gap. Promotions are made and yet the men going up may not be sufficiently seasoned. Some offices have been compelled to recall men on the reserve list. Others have sought men that are much older in age and therefore naturally these employers assume a certain amount of moral responsibility for earlier disability on account of age. In a number of cases women are being trained for specialized work. Large insurance offices are conducting a regular training school now for women and other inexperienced employees hoping to get them in shape for active service.

Want a Suspension of Questionnaires

In connection with this demand on insurance companies, state insurance departments, fire marshal's offices, various bureaus and organizations, industrial boards administering workmen's compensation acts, etc., are also feeling the impact of the draft. Owing to this fact insurance companies are requesting with considerable emphasis that they not be called upon by governmental agencies for additional information, figures bringing out experience for this and that and other details during the duration of the war inasmuch as they are already over-taxed. It is found in some cases that where a state insurance department's personnel has been disturbed the commissioner is endeavoring to throw the work back on the insurance companies, requiring labor from them that is usually done at the state house.

At the meeting of the insurance section of the Illinois chamber of commerce it was voted to appoint a committee to confer with State Director Paul F. Jones of Illinois requesting him to bring the subject before the annual convention of the National Association of Insurance Commissioners at Denver. It is believed that when the commissioners realize the gravity of the situation they will be responsive.

Director Jones of Illinois has already attempted to simplify matters and perhaps has gone farther than any other state by relieving the companies of the burden of supplying a vast array of figures. He has just approved a simplified coding plan which will involve only a statement of state-wide experience. This came up in connection with casualty companies in their effort to get permission from rate regulated states to simplify the data which they must submit for rate making purposes.



PERSONALITIES AT MEETINGS OF INSURANCE DIVISION OF AMERICAN MANAGEMENT ASSOCIATION IN NEW YORK:

William Newell, assistant chief engineer of the National Board, and E. F. Gallagher, Ohio Inspection Bureau, both of whom were on the final session program; Reginald Fleming, Commonwealth & Southern Corporation, and A. M. A. vice-president in charge of the insurance division who was named to serve a second term; Ray Murphy, assistant general manager Association of Casualty & Surety Executives, the guest banquet

speaker, and Henry Howlett, secretary of A. M. A., who acted as toastmaster; W. W. Glass, former manager of Japanese branches of American Foreign Insurance Association; J. H. Nickell, insurance manager Philadelphia Electric, and L. C. Irvine, manager of American Foreign Insurance Association. The meeting was the largest yet held, with an attendance of 600.

ACCIDENT AND HEALTH

Conference Committee to Handle Pool War Risk Policy Plan Is Named

That the Health & Accident Underwriters Conference intends to proceed immediately to put into operation the pool plan for writing special war risk accident policies, approved at its annual meeting in Kansas City last week is evidenced by the fact that the permanent committee which is to have charge of the plan already has been named by President W. G. Alpaugh, Inter-Ocean Casualty.

C. O. Pauley, secretary Great Northern Life, head of the special committee which drafted the plan presented at the Kansas City meeting, is chairman of the permanent committee. Other members are: R. J. Wetterlund, general counsel Washington National; George F. Manzelmann, president North American Accident; John Panchuk, general counsel Federal Life & Casualty; V. J. Skutt, attorney, Mutual Benefit Health & Accident; E. G. Trimble, Jr., assistant secretary Employers Reinsurance, and J. W. Scherr, Jr., assistant secretary Inter-Ocean Casualty.

Massachusetts Indemnity Names Staton in So. Cal.

J. C. Staton, formerly assistant manager of Massachusetts Indemnity in Los Angeles, has been appointed general agent for southern California with headquarters in Los Angeles.

Mr. Staton has had 20 years' experience in the life and accident and health fields. At one time he was special agent in Pennsylvania, Delaware and New Jersey for Employers Liability. He went to Los Angeles in 1939 to open an accident and health office for General Accident. This agency later was taken over by the W. E. Lebby Agency, state manager of Massachusetts Indemnity.

Prior to his Employers Liability connection, Mr. Staton wrote life and accident and health insurance for Union Central and Aetna Life. He was a member of the \$500,000 Club of Union Central.

Honor Anderson at Luncheon

A. D. Anderson, who is going to the home office of Occidental Life of California as superintendent of the accident and health department, was honored at a luncheon by the Chicago Accident & Health Association Wednesday. About 40 attended. W. Welsh Pierce, Massachusetts Indemnity, president of the organization, was in charge, and Charles H. Davis, Pacific Mutual, was master of ceremonies. Charles N. Dubach, Hartford Accident, and E. H. Ferguson, Occidental Life, who succeeds Mr. Anderson in Chicago, both paid tribute to Mr. Anderson.

Boston Association Elects

BOSTON—The Boston Accident & Health Association has elected the following officers: President, Byron P. Graff, Aetna Casualty; vice-presidents, Clarence Miller, Massachusetts Bonding; and A. F. Moore, Massachusetts Indemnity; secretary, W. E. Hanna, Commercial Casualty; treasurer, Henry V. Madden, Boston Casualty; executive committee: W. A. Barr, Massachusetts Bonding; L. L. Burdick, Commercial Casualty; H. B. Fowler, General Accident; J. P. Farrell, Massachusetts Bonding; and J. M. Whitaker, Employers Liability.

Name Okla. Executive Committee

OKLAHOMA CITY—At the May meeting of the Accident & Health Association of Oklahoma the new directors were announced, including Rollin B. Smith, Great Northern Life; George Fagerstrom, Massachusetts Protective;

John O. Wilson, General American Life; Herbert Heiman, Al Heiman Agency; F. E. Pence, Aetna Life; William Robertson, North American Accident, and H. E. Clauser, Great Northern.

A membership drive will be conducted June 9-13, with a goal of 100 names on the roster, according to C. W. Cameron, president. Mr. Smith was named delegate to the national convention in Detroit with Marmaduke Corby, Jr., Occidental Life, as alternate.

Hearing on Group Proposal

BOSTON — A special commission created by the state legislature, with Commissioner Harrington as chairman, gave hearing to representatives of state, county and city public employees on two bills which would make it permissive for cities, towns, counties and the state to allow payroll deduction of premiums for group life insurance of organized groups of such employees.

W. F. Kelly, president Central Council of State, City & County Employees, testified that all the regular companies except one had refused to provide such coverage unless premiums could be collected through payroll deduction. Mr. Kelly requested that the limit for membership enrollment in such plans be placed as low as 60 percent, since it was difficult to get large enrollments at first, although he was confident once the plan started rolling he could assure 90 percent enrollment. Savings Bank Life Insurance had asked for 75 per-

cent subscription and most companies desired such proportionate membership.

The Blue Cross asked that the commission also consider allowing payroll deduction for groups seeking health insurance.

The hearing was postponed to June 26.

Mass. Medical Society Coverage

The Massachusetts Medical Society has received a charter for the Massachusetts Medical Service which it and influential laymen are sponsoring. The service provides a state wide system of pre-paid budgeting for medical care to go into effect in the fall, supplementing existing systems of hospitalization. It will be non-profit, and will offer treatment by any physician or surgeon licensed in the state. Starting with partial cover, eventually a contract covering all hospital medical expenses and one covering expense of medical care in the hospital, home and office will be offered. The coverage will first be offered to employment groups only, and at first will be limited to families whose gross income is less than \$2,500.

Quiz Program in St. Louis

ST. LOUIS—L. A. Reichenberg, assisted by T. F. Guhman, conducted a quiz program before the Accident & Health Underwriters Association of St. Louis.

Charges Breach of Contract

Gilmore Ware, who was appointed Pacific Coast manager of Ohio Casualty May 1, has sued the company, asking damages of \$29,000. He was discharged May 21, without cause, he alleges. He charges breach of contract.

WORKMEN'S COMPENSATION

Approve Renewal Certificate for Compensation

The National Council on Compensation Insurance has given approval to the use of renewal certificates as an optional method of continuing compensation insurance in force and has also approved the recommendation of the policy forms committee as to the type of certificate that shall be used.

The certificate must make clear that the policy has expired and that a new contract has been written and it must indicate that it is subject to all the terms of the policy except as otherwise stated in the certificate.

What Certificate Covers

The certificate shall cover the same employer as the original policy and shall not be written for a period of more than one year except where the manual permits the use of three year policies the certificate may also be issued for three years.

There must be shown on the certificate each classification covered, code number, estimated total annual remuneration, rate applicable and estimated premium.

Either the certificate or a separate endorsement must state the manual classification wording for each classification which differs from that stated in the policy and for each additional classification shown in the certificate that is not shown in the policy.

Evidence of Approval Required

The certificate must set forth the renewal period, estimated advance premium, minimum premium, loss constant or expense constant or both and deposit premium if the policy is written on other than an annual adjustment basis. The certificate must provide for a counter-signature where required.

The administrative bureau must be

furnished with evidence that the form of certificate has been approved by the appropriate state supervising official.

Ohio Work Accidents Up

Industrial accidents in Ohio in April continued to pace increased industrial production, according to the Ohio industrial commission. The commission report shows that 25,645 compensation claims were filed during that month, increase 1,247 over March, up 23.5 percent from April, 1941, and 67.5 percent over April, 1940. Claims in the first four months total 95,934, 21.3 percent more than the same period of 1941. Payments in April totaled \$1,152,601. The balance in state workmen's compensation fund on April 30 was \$91,152,347, including a reserve of \$69,446,972 for claims previously allowed.

Ill. Injuries Total 47,570

The number of compensable injuries reported by the Illinois industrial commission during 1941 totaled 47,570. Of these, 7,244 were bruises and abrasions, 2,352 burns and scalds, 10,887 cuts and lacerations, 1,180 punctures, 1,271 amputations and enucleations, 321 dislocations, 8,790 fractures, 9,569 sprains and strains, 1,519 inflammation, 2,476 infections and 1,961 miscellaneous and unknown.

CHANGES

Cleveland Head of American Surety

American Surety Company and New York Casualty have appointed Edgar R. Dickson manager of the Cleveland branch office. Mr. Dickson, former assistant manager at Cleveland, succeeds

the late Harold F. DeLand, who died recently.

Mr. Dickson, a native Ohioan, has been with the companies for the past 17 years in Columbus, New Jersey, Toledo, and Cleveland. He has been in Cleveland 10 months.

American Surety has maintained a branch office in Cleveland for more than 40 years. It is now located in the B. F. Keith building.

Wade Mass. Bonding Supervisor

Harry E. Wade has been appointed agency supervisor for the northern California branch office of the Massachusetts Bonding in San Francisco.

L. O. Tupper with Merchants

Leslie O. Tupper, who has been with Standard Accident in New York in charge of the automobile department, has joined Merchants Indemnity in the underwriting staff.

The Accident & Health Managers Club of San Francisco held its annual outing and golf tournament June 3. R. Marvin Greathouse, Connecticut General Life, was chairman.

Increase your accident sales with ideas from the Accident & Health Review, \$2 a year, 175 W. Jackson Blvd., Chicago.



Through all the years—since it started business 22 years ago—the Pennsylvania Casualty Company has fulfilled every obligation to agents and policyholders alike.

It has always strived to serve its agents better so they in turn may better serve policyholders. The Pennsylvania Casualty Company has a unique incentive to render the best possible co-operation to its agents. It helps agents serve more efficiently for their own benefit, as well as to policyholders.

That is why the Pennsylvania Casualty Company, under the capable management of capable men, enjoys the greatest confidence of agents everywhere.

**AUTOMOBILE
GENERAL LIABILITY**



HEALTH ACCIDENT

**PENNSYLVANIA
CASUALTY COMPANY**

LANCASTER PENNSYLVANIA

EMPLOYERS REINSURANCE CORPORATION

HOWARD FLAGG . . . PRESIDENT

REINSURANCE OF CASUALTY FIDELITY & SURETY
DEvised FOR MAXIMUM USEFULNESS TO THE UNDERWRITER

HOME OFFICE
KANSAS CITY
MISSOURI
BRANCH OFFICES
NEW YORK
CHICAGO
SAN FRANCISCO
LOS ANGELES

Home Group in National Board

(CONTINUED FROM PAGE 3)

prise at the outcome of the privilege of the floor extended Mr. Kurth, upon motion of B. M. Culver, president of America Fore. The nominating committee, at the last moment, altered its slate to place Mr. Smith on the executive committee.

Mr. Kurth, who was president of Home and of its subsidiaries when they withdrew from the National Board in 1934, stressed the need for unity during



P. J. BERRY

these times and promised the utmost support of his companies.

That all former officers of the National Board would be continued another year was fully anticipated, hence no surprise resulted when W. E. Mallalieu, acting as secretary, was instructed to cast one ballot for the following: President, R. P. Barbour, United States manager Northern Assurance; vice-president, J. M. Thomas, president National Union Fire; secretary, P. J. Berry, president Security of New Haven; treasurer, B. M. Culver, president Continental; general manager, W. E. Mallalieu; assistant general managers, C. H. Lum, San Francisco, and F. S. Dauwalter, New York. Mr. Perry succeeds the late Sumner Ballard, who died last October after many years' service as secretary.

Executive Committee

Five members elected to the executive committee to replace those whose terms had expired, are: E. W. Nourse, United States manager London Assurance; O. E. Lane, president Fire Association; C. R. Page, president Fireman's Fund; H. V. Smith, president Home, and F. B. Luce, vice-president Providence Washington.

All members of the board having been supplied with printed copies of the reports of the different standing committees, their presentation from the floor was omitted.

The address of President Barbour was in keeping with the high character of those presented by his predecessors, and dealt with the complex conditions with which the insurance industry as well as all other lines of endeavor are confronted at the present time. The support extended the various divisions of the government in furthering its war program was outlined by Mr. Barbour and the willingness of the fraternity to render still further aid when called upon emphasized.

Presentation of Medals

Features of the luncheon which immediately followed adjournment of the business gathering, were the presentation by Vice-president J. M.

Thomas, on behalf of the National Board, of the gold medal awards "for meritorious public service in fire prevention and fire protection." The press award went to the Berkshire "Evening Eagle" of Pittsfield, Mass., while the radio medal was accorded Station KFBK, Sacramento, Cal.

George E. Sokolsky, author and newspaper columnist, as guest speaker sketched the primary issue involved in the war, that being the right of the individual versus that of the state.

He observed that by virtue of the existing struggle we in the United States have surrendered many of the rights heretofore enjoyed to the state, and that once the war is won we should insist these privileges be returned us.

Were it not for the progress in fire prevention and protection in its broadest terms, the fire losses today would be more than \$500,000,000 a year instead of about \$300,000,000. R. P. Barbour, U. S. manager of Northern of London, asserted in his presidential address.

The destruction by fire today is only 6 percent of the destruction of 25 years ago in relation to values exposed to loss, he said. Likewise the average rate for fire insurance is only 60 percent of that charged 25 years ago.

During the first three years of this war, 1939-41, 32 percent more property was destroyed by fire measured in dollars, than in the first three years of the former war, 1914-16. However, if the fire losses and the amount of insurance are adjusted to discount the effect of fluctuating prices fire losses in the latter period in relation to the dollar value of property exposed to loss have actually declined by 40 percent.

In 1941, the fire losses in dollars were 6 percent greater than in 1940, but if the property destroyed in the latter year were measured by the value in 1940, the fire losses are nearly 5 percent less in dollars.

There has been a steady increase in the amount of work done by the National Board in cooperation with the government in the war efforts.

Big Bond on Ordnance Depot

LOS ANGELES—Ford J. Twaits, Morrison-Knudsen, Griffith Co., and Peter Kewitt & Sons Co., jointly were low bidders on the construction of an army ordnance depot in Utah, with a price of \$11,470,000. Aetna Casualty, Pacific Indemnity and National Surety are originators of the bid bond.

The Columbus branch of Travelers this week observed its 40th anniversary.

Gelcher and Cain Advance to Agency Superintendents

LOS ANGELES.—Joseph Gelcher, who has been temporarily in charge of the bonding department of the Los Angeles branch office of Fidelity & Casualty, has been appointed agency superintendent. John C. Cain, for the last 10 years in charge of the bonding department of the Dallas, Tex., office, has been transferred to the branch here in a similar position.

Mr. Gelcher Sept. 26 will celebrate 25 years' service with Fidelity & Casualty. He started in the home office, working up through the accounts and auditing departments to the agency department. He was transferred to Los Angeles in 1922.

Mr. Cain is a native of Austin, Tex., and spent five years in the F. & C. home office before being transferred to Dallas. His entire business career has been devoted to the bonding end of the business.

Hines Supervises Tourney

Jimmy Hines, chairman of the P. G. A. tournament committee, will supervise the annual remote control handicap golf tournament, to be held simultaneously throughout the country June 13, sponsored by Indemnity of North America. Prizes will be 558 awards of war bonds and stamps, approximating \$4,500 in face value.

The tournament is expected to attract a greater number of players than last year, when 9,983 golfers played over 1,042 courses, in 34 states.

McKee to San Francisco

B. C. McKee, who has been Oregon and Washington manager of Employers Mutual Liability of Wisconsin, with headquarters in Seattle, has been appointed northern California manager in San Francisco. Formerly with his father in the Washington General Agency of Seattle, which was later sold, Mr. McKee, before joining Employers Mutual about two years ago, was manager of the casualty department of Cravens, Dargan & Fox in San Francisco.

Chicago-Milwaukee Outing

The Surety Underwriters Association of Chicago will hold its annual outing with the Milwaukee Surety Underwriters Association at Milwaukee June 19. The affair will be held at Ozaukee Country Club. Alex P. Clark, Jr., of Conkling, Price & Webb, Chicago, is in charge.

Quinlan Agency Relations Superintendent of Employers

The Employers group has promoted Thomas J. Quinlan to agency relations superintendent. He will be relieved of his present duties in connection with the agency and production department and devote his entire time and attention to cementing relations between agents and the Employers companies, promoting good will and generally continuing to contact the many agents throughout the country with whom he has been doing business for many years.

Mr. Quinlan has been with Employers nearly 40 years. He started as an office boy in 1904 and served in the accident and health, actuarial and statistical department and liability department. Just before the first world war he was made executive special agent and after his return from military service was promoted to home office representative and then to the superintendent of the agency and production department.

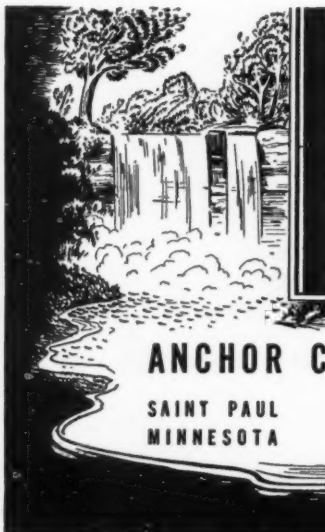
Frank W. Boyle, formerly assistant superintendent of the agency and production department, becomes superintendent of that department. Mr. Boyle, after attending Boston University, spent several years with the home office of Travelers. He entered the agency and production department of Employers in 1927 and was promoted to the position of assistant superintendent in 1936.

Sees Need to Advertise

"Advertising Age" in its May 25 edition carries an editorial on the insurance aspects of restrictions in the use of automobiles. It is suggested that the insurance companies should advertise the importance of motorists maintaining adequate protection on their cars as long as the owner operates his car at all. In addition, according to "Advertising Age" the casualty companies should consider prominently advertising other lines, such as accident and health. "Advertising Age" expresses the belief that the present large volume of accident and health business could be greatly increased if backed by the right kind of promotion. The publication points out that insurance is one type of service which can help to absorb surplus national income without diverting materials and man-power from war production.

Burdette Spaeth, State Automobile Mutual, and Anne E. Williams, Republic Mutual, have been elected secretary and treasurer respectively of the Columbus, O., chapter of the National Office Management Association.

Home Office
Near the Falls of Minnehaha
On the Mississippi River



ANCHOR CASUALTY COMPANY

SAINT PAUL
MINNESOTA

FINANCIAL STATEMENT AS OF DECEMBER 31, 1941

ASSETS		LIABILITIES	
Stocks and Bonds.....	\$2,345,238.38	Reserves for:	
Bonds	\$1,693,881.38	Claims	\$1,012,137.02
Stocks	651,357.00	Unearned	
F. H. A. Mortgages.....	129,661.21	Premiums	933,016.25
Cash in Banks and Office.....	297,695.08	Commissions	74,901.50
Premiums in Course of Collection		Tax Reserve	85,000.00
(Not over 90 days).....	357,422.48	Other Liabilities	38,943.21
Accrued Interest on Bonds.....	15,958.68		\$2,143,997.98
TOTAL ADMITTED ASSETS.....	\$3,145,975.83	Contingent	
		Reserve	\$ 151,977.85
		Capital	400,000.00
		Surplus	450,000.00
		Surplus to Policyholders.....	1,001,977.85
		TOTAL	\$3,145,975.83

Securities at Market Values

A LITTLE EVENT in the Life of an EARLY CONTRACTOR



"I THINK IT OUGHT TO BE MOVED A LITTLE TO THE LEFT."

THE FACTS

The Great Pyramids of Gizeh, only survivor of the seven wonders of the ancient world, are estimated to be 5,000 to 7,000 years old. The largest is 482 feet high; the base covers 13 acres. It contains some 82 million cubic feet of limestone, estimated to weigh 7 million tons. It took 100,000 men 10 years in preparatory work; 20 years to construct the pyramid. Little is known of the method. The four sides, perfectly oriented, have a mean error of only 6/10 of an inch in length. Height equals radius of circumference equal to length of four bases.

FIDELITY AND SURETY BONDS FOR CONTRACTORS

THE TRAVELERS INSURANCE COMPANIES

HARTFORD • CONNECTICUT

COMPANIES

Commercial Indemnity Is Increasing Capital

Commercial Indemnity of Indianapolis, which began business March 1, 1941, with \$100,000 capital, is increasing its capital by the sale of 310,000 shares at \$3.50 a share. It has been writing some casualty lines in addition to automobile, fidelity and surety. By increasing capital it can qualify in Class 2 of the Indiana insurance laws with authority to add workmen's compensation, accident and health, plate glass, water damage, general liability and other casualty coverages.

Commercial Indemnity was incorporated in 1939 and has been quite successful thus far. Officers are: President, Ralph J. Daly; vice-president, William A. Shepler; secretary, James T. Hammill; treasurer, Frank A. Ungles. Directors include men of influence well distributed over the state, and they have been instrumental in helping to develop the company's business which is still confined to Indiana.

Besides the officers, the board includes Earl Peters, A. M. Haas, Charles H. Robertson, Albert Stumpf, Lloyd C. Claycombe, Wade H. Free, Richard H. Schweitzer, John K. Jennings, Dr. C. W. Dahling, Charles S. Rauh and Rolland J. Weaver.

Eustace Cullinane, attorney and civic leader of San Francisco, has been elected a director of Associated Insurance Fund, holding corporation of Associated Indemnity and Associated Fire & Marine.

ASSOCIATIONS

Hold Ohio Party June 5

The Ohio Association of Casualty & Surety Managers will hold its annual Walpurgis party June 5 at the Fort Hayes Hotel in Columbus, instead of at a park, to avoid traffic complications.

Knockers Club Annual Meeting

The Knockers Club, Chicago organization of casualty underwriters and executives, will hold its annual election and golf outing at Kildeer Country Club June 9. Hugh Millard, Accident & Casualty, is in charge of the affair.

Martin Discusses Fidelity

WASHINGTON, D. C.—Blanket fidelity bonds were discussed by Rankin Martin, Standard Accident, before the Insurance Club of Washington. The fundamental selling points in fidelity bonds are: the moral effect upon employees; the thorough investigations made; and indemnifying the insured.

President Howard Eales presented a gift to C. N. Bean for his work in the

class on insurance and suretyship given by the Insurance Institute of America.

Ohio Field Club Elects

COLUMBUS—The Casualty & Surety Field Club of Ohio, at a meeting this week, elected John S. Warren, General Accident, president; Fred G. Colborne, American Indemnity, vice-president; Hugh W. Donovan, American Automobile, secretary, and A. A. Stahl, Ohio Casualty, treasurer. These officers will be installed at a golf party and dinner June 22 at the Indian Springs Country Club.

The Casualty Adjusters Association of Chicago will hold its annual outing at the Tam O'Shanter Country Club June 18.

The Surety Association of Minnesota held its annual outing at Minneapolis. Members played golf throughout the day, with time off for lunch. Those in charge were J. D. Twobig, U. S. F. & G., Harold Holker, Maryland Casualty, and C. B. Coleman, Fidelity & Deposit.

PERSONALS

Fifteen executives of Edward Brown & Sons tendered Wesley G. Cannon, popular vice-president who recently resigned, a luncheon and a handsome desk set for his new position as San Francisco manager of Accident & Casualty. Arthur M. Brown, Jr., extolled Mr. Cannon and reviewed his successful career in the casualty business.

Fred J. Hatch of the General Accident's claim department in Chicago, has just received word that his son, Fred, has been promoted to a major in the quartermaster corps. He started as a first lieutenant about two years ago and has been stationed at the quartermaster's training depot in Cheyenne, Wyo.

DEATHS

C. C. Foster, 51, research engineer of Fidelity & Casualty, died at his home in Maplewood, N. J.

D. F. Randolph, 54, personnel manager of United States Guarantee, died of a heart attack at his home in Plainfield, N. J. His earlier insurance connections had been with Fidelity & Casualty and Hartford Accident.

Mrs. Oliver P. Fiery, mother of E. Irving Fiery, manager of the Chicago branch office of Royal Indemnity, died at her home in Smithsburg, Md., Tuesday. Mr. Fiery had been at his mother's bedside for a week, following her heart attack, but had returned to Chicago when he received word of her death.

Mrs. Anna Gertrude Green, 74, who died at her home in Indianapolis after a long illness, was the mother of C. Norman Green, vice-president of Hoosier Casualty.

Minority Stockholders Suit Is Dismissed

On the ground that the plaintiff had failed to set out his allegations in specific fashion, the Hartford court found in favor of Travelers in a suit brought by Maurice Miller, a New York stockholder.

Miller based his action on certain testimony in the hearings of the Temporary National Economic Committee regarding loans made by certain Travelers' directors and officials from Connecticut River Banking Company and Travelers Bank and Trust Co. Miller lost by default when he failed to comply with an order of the court for a more specific statement of his allegations.

"It is one thing," the court said, "for a governmental agency, or a legislative body to rake the ashes of the past for regulation or legislation for the future; it is quite a different thing when it comes to an individual bringing a suit in court against individuals. If he has a right to sue he has the obligation of setting forth his claim."

E. M. Karrmann Treasurer

Edward M. Karrmann, who has been elected treasurer of American United Life, is a graduate of Indiana University. He went with American United in 1925 and served as chief accountant from 1931 to 1936. In the latter year he was named comptroller and about a year ago became assistant treasurer. He was the first president of the Indianapolis Control of the Controllers Institute and he served as president in 1940-41 of the Insurance Accounting & Statistical Association.

Talk on Comprehensive Liability

Samuel H. Butler, special agent of Hartford Accident, and Lloyd Carleton, special agent of the Fireman's Fund Indemnity, representing the Casualty & Surety Fieldmen's Association of the

Mutual Policyholders Take Fight to Wis. High Court

MADISON, Wis.—Appeal to the Wisconsin supreme court is being taken by attorneys for the Wisconsin Mutual Insurance Company Policyholders' Committee from a decision of Circuit Judge Hoppmann denying the motion to set aside the assessment order against policyholders in the defunct mutual, Commissioner Duel, in charge of the liquidation, seeks a \$491,000 assessment against policyholders, although the estimated liabilities and liquidation costs have been placed at \$189,000. The larger sum requested is on the basis of allowing for uncollectible accounts and possible additional expenses. The policyholders' protective committee was formed with Herman Hinze, Sheboygan, as chairman, to fight the assessment, termed "illegal, excessive and exorbitant."

Judge Hoppmann denied a review of the case and also a request for a second action to have the order set aside. The court declared that there is "no cause warranting the setting aside or modifying the order," and added the "order and assessment made thereby are reasonable, legal and equitable." The department order was made Nov. 29, 1941, and the stockholders' action against Duel was heard by the court April 1. Judge Hoppmann said the motion by the policyholders' committee had not been brought on for hearing within 60 days after the end of the term of entry of the assessment.

The supreme court probably will hand down its decision during its August term.

Pacific Southwest, addressed the Riverside-San Bernardino Counties Insurance Agents Association at San Bernardino on the subject of "Comprehensive Liability."

Interchangeable Shoes

For hundreds of years the Chinaman pulled his shoes on either the right or left foot indifferently. Simple for the maker, uncomfortable for the wearer.

Insurance Service means fitting the purchaser's insurance protection needs exactly, not just selling him a policy. The New Amsterdam Casualty Company encourages its personnel to study constantly the ever changing problems of the surety and casualty business.

New Amsterdam
Casualty Company

NEW YORK

BALTIMORE

INDIANA INSURANCE COMPANY

A STOCK COMPANY CHARTERED 1851—OPERATING ONLY IN INDIANA

Capital, Surplus and Reserves for Protection of Policyholders over \$1,150,000.00

Writing

AUTOMOBILE

All Lines in One Policy

FIRE and WINDSTORM

Combined coverage, equal or unequal amounts, in one policy. Excellent reinsurance facilities.

INLAND MARINE

and All Risk Floaters

PLATE GLASS

Unexcelled contracts

COOLING-GRUMME-MUMFORD CO., Inc.

State Agents

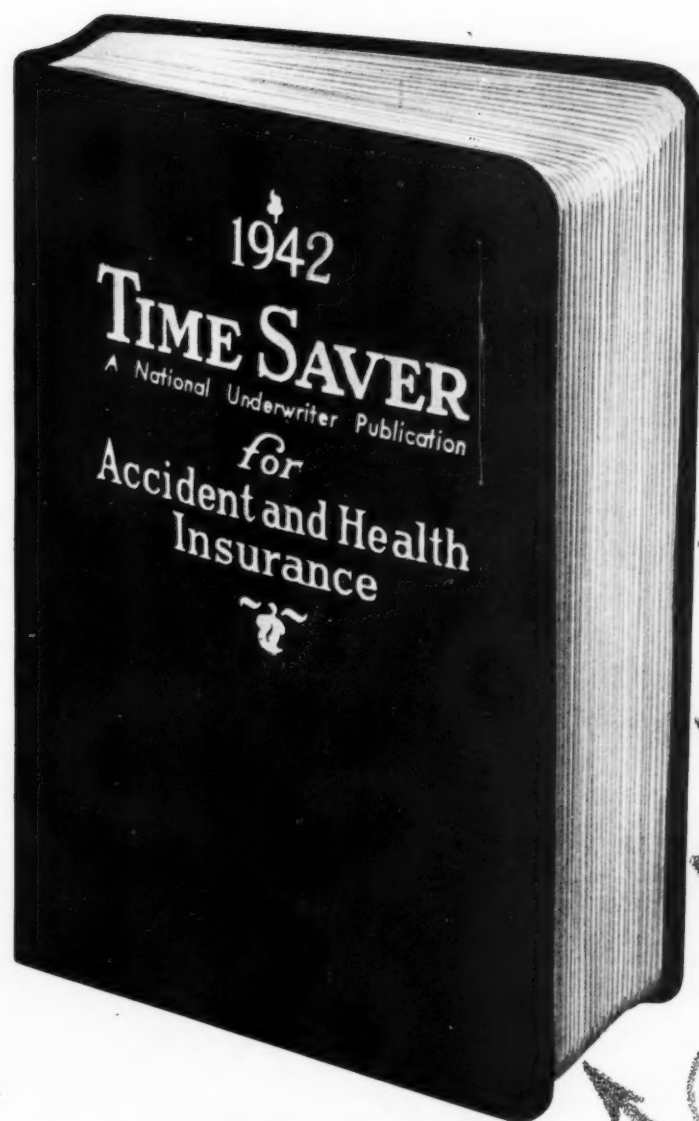
Market 3331

Consolidated Bldg., Indianapolis

SPECIAL AGENTS
ERNEST NEWHOUSE
EMERSON NEWHOUSE
HAROLD H. WELLS
JOHN P. KEISER

HOW about an agency contract with a Company that will help an agent when help is needed?

DON'T Try to GUESS What That Accident-Health Policy Covers . . . Use The 1942 Time Saver to KNOW



Picture of the 1942 Time Saver—reduced size. Contains almost 1000 pages—printed on bible thin paper. Bound in attractive limp kerotol red binding.

Over 850 commercial accident and health policies and riders are completely described and analyzed for you in the 1942 Time Saver.

Descriptions include rates for all classes and all ages for every policy and each rider.

Commercial accident and health policies—non-cancellable contracts—individually written hospitalization policies—"limited" contracts—mobile accident policies—all are included in the Time Saver.

Company financial statement section shows assets, capital, premiums, losses, surplus to policyholders for all the companies.

Disability clauses of policies of leading life companies described in the 1942 Time Saver.

Every policy written by a company is included (not just a few leading contracts). Policies of stock—mutual—mail order companies are described in the Time Saver.

RARELY are all the provisions of any two accident and health policies exactly alike. Every disability writing salesman should be equipped to know the policies offered in his territory to make the most of his sales opportunities.

THE 1942 Time Saver gives a complete description of all commercial accident and health policies now issued by the leading companies. It tells all provisions of each contract. Each description is complete but concise with rates for all ages. Limitations-exclusions are given in full for every contract. It costs only about a penny a day to equip yourself with the 1942 Time Saver.

THE NATIONAL UNDERWRITER CO.

420 EAST FOURTH ST.

CINCINNATI, O.

New York Atlanta Boston Dallas Des Moines Detroit
Minneapolis Philadelphia San Francisco Chicago

Get Your 1942 Time Saver Now

MAIL TODAY

THE NATIONAL UNDERWRITER CO.
420 East Fourth Street, Cincinnati, Ohio

Gentlemen:

Yes, I want copy(ies) of the 1942 Time Saver describing accident and health policies. Ship and let bill follow in usual way at \$4.00 per copy (less if ordered in quantities).

Name

Company

Street Address

City and State

N. Y. Compensation Rate to Increase 5.9% July 1

An average increase of 5.9 percent in workmen's compensation rates in New York state will become effective July 1. The revision is based on the experience in the year ended June 30, 1941.

In notifying carriers of change H. D. Sayer, general manager of the Compensation Insurance Rating Board, said that it restores "only approximately one-fourth of the reduction in rate level resulting from the three previous rate revisions, all of which were decreases." Combined returns shown in the latest casualty experience exhibit of the department reveals an underwriting loss for 1941.

At a recent conference of casualty company representatives called by Superintendent Pink, it was deemed advisable in the absence of any substantial improvement in current loss trends to continue the established rating formula rather than introduce any element of speculation as to the effect of present industrial conditions.

Further justification for the rate advance, Mr. Sayer notes, "is found in rising operation costs and the increase in hospital charges effective last May 15, though no specific provision has been included for either. The revision of specific occupational disease rates will mean an average decrease of about 20 per cent therein, although the legal benefits for dust diseases will continue to increase at the rate of \$50 per month. Specific occupational disease rates hitherto applicable to a number of classification have been eliminated. An upper limit of \$100 on minimum premiums has been introduced, subject to exception in a few special cases, the change favorably affecting 165 classifications which otherwise would have to pay higher minimum rates."

"Why Disability Insurance Is a Good Investment for You" cost only \$9 per 100. Order from The National Underwriter.

Washington Agents Call for Auto Rate Reduction

SEATTLE—Companies writing automobile liability and property damage have been requested by the executive committee of the Washington Association of Insurance Agents to consider the need for readjusting rates, especially in areas adversely affected by the war.

The association has called upon the Washington Advisory Committee of the National Bureau of Casualty & Surety Underwriters and the Northwest Automobile Insurance Conference to "re-examine the rates charged in various territories." The request said several local agents' associations "situated in those sections of the state which are adversely affected by the war and in which there is been a noticeable falling off in traffic," have asked for relief in the form of lower rates.

"It was the consensus of our committee that downward revision in rates would be justified in those areas where traffic has decreased sharply, anticipating the certainty that accident frequency and resultant loss ratio would drop," the request set forth.

Final Order on St. Paul Casualty

ST. PAUL—A final order has been issued naming Commissioner Johnson of Minnesota as receiver of St. Paul Casualty. The commissioner has not yet determined whether a policyholders' assessment will be necessary.

Mardis Gets Five Years

HANNIBAL, MO.—D. V. Mardis, former operator of benefit assessment insurance concerns in Kirksville and general agent in that section for several companies, was sentenced to five years in a federal prison for using the mails to defraud. Mardis was accused of participating in a faked accident ring that operated for about 13 years in northeast Missouri. Members of the

ring are said to have extracted well over \$100,000 from various insurance companies. Of 80 persons accused of participation in the ring, 64 pleaded guilty and have received varying sentences.

Conkling, Price & Webb Active

A contest on life and accident production is under way in the Conkling, Price & Webb agency of Chicago. The prizes will be distributed at the annual golf party this summer. Fred Corby, manager of the life and accident department, is directing the efforts. There are two teams in the field, one in charge of L. W. Zonsius and the other in charge of W. T. Cline, both partners of the firm.

Conkling, Price & Webb are general agents for John Hancock Mutual Life. In January they completed their first year with that company and exceeded their quota of \$1,000,000 by about 10 percent. At the present production pace, sales this year will be well above \$2,000,000.

Severance in Private Practice

NEW YORK—Frank A. F. Severance, who as assistant district attorney in charge of the frauds bureau, has prosecuted many cases of interest to casualty and surety companies, is resigning to join the law firm of Dunnington, Bartholow & Miller, New York City. Mr. Severance has not only handled a number of widely publicized frauds committed by insurance employees against their companies but has worked closely with the Association of Casualty & Surety Executives in following up fraudulent claims against casualty companies.

Sending out the Insurance Buyers' Digest each month is an effective way to create and maintain customer good will. Write The National Underwriter for sample.

Changes Are Made in the Automobile Manual

(CONTINUED FROM PAGE 21)

same company. This is similar to the joint schedule rule for private passenger automobiles owned by employees.

The renewal of the age limit under the garage liability policy and the 40 percent reduction in dealer and repair shop minimum premiums, which were previously announced, have been incorporated in the new manual. The rules for transportation of employees and fellow-employees have been revised and more classifications set up. In general, these changes will reduce premiums, except where the employees are transported very long distances.

Several changes were also made in state exception sheets, among the most important being the authorization of medical payments coverage including the named assured in New York and Virginia. The California agreement on fictitious fleets between the insurance department and the companies is included in full in the pages for that state.

Mr. and Mrs. George T. Purves announce the marriage of Mr. Purves' daughter, Margaretta Fitz-Gerald to George Noyes McLennan, lieutenant United States Marine Corps reserve, May 25, at Hewlett, L. I. Mr. McLennan is the second son of D. R. McLennan of Marsh & McLennan of Chicago. His oldest son, who was associated with the agency, is now in the service in Australia.

Howard P. Sheridan, for the last 18 years a staff adjuster in the Los Angeles office of the Fire Companies Adjustment Bureau, is the proud grandfather of twin girls born to his daughter, Mrs. Margaret Janet Kenny, at Berkeley, Cal.

BONDS

TRINITY UNIVERSAL
INSURANCE COMPANY

Capital \$1,000,000
Edward T. Harrison, President

AUTOMOBILE · CASUALTY · FIRE · INLAND MARINE · COMPENSATION · BONDS

Dallas Chicago Philadelphia Los Angeles Columbus
Newark Indianapolis Denver Birmingham Seattle

Check
IN AT A DeWITT OPERATED HOTEL

In Cleveland
THE HOLLENDEN

In Columbus
THE NEIL HOUSE

In Akron
THE MAYFLOWER

In Lancaster, O.
THE LANCASTER

In Corning, N. Y.
THE BARON STEUBEN

THE HOTELS THAT CHECK WITH EVERY TRAVEL STANDARD

THEO. DeWITT PRESIDENT

DeWITT OPERATED HOTELS

Texas Ruling Puts Squeeze on Expense Element

(CONTINUED FROM PAGE 2)

Auto P. L. and P. D.		
	P. L.	P. D.
Administration	7.7	7.7
Unallocated claim expense...	6.1	9.8
Inspection and bureau.....	.6	.6
Commission	25.	25.
Taxes	5.25	5.25
Total	44.65	48.35

Workmen's Compensation

Claim adjustment, 8.5 percent.
Inspection, 2.5 percent.
Payroll audit, 2.9 percent.
Commission, 17.5 percent.
Administration, 7.5 percent.
Taxes (state 4.65, federal .5), 5.15 percent.
Total, 42.65 percent.

"With the intent of assisting in reducing insurance cost to the citizens of the state," the commissioners have asked all insurance companies and general agencies to subscribe, by signature, to specified principles as a declaration of policy, that they will:

1. Make immediately an earnest effort to improve the methods of selecting recording agents with the idea that quality is more desirable than quantity.
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3. Refuse to appoint or continue as an agent a financial institution, or any employee thereof, or any other person who uses his position, directly or indirectly, to coerce the placing of insurance.

4. Cooperate with the board in the strict observance of the provisions of the licensing act and to aid and assist the agents in fully enforcing the intent and spirit of the law.

W. G. Cowles, Pioneer of Casualty Coverage, Dies

(CONTINUED FROM PAGE 10)

in 1908. It covered only six so-called hazardous employments and a few months later was declared unconstitutional. Mr. Cowles was sent to New York to direct the necessary organization work to meet the compensation situation in 1908.

In 1911 there became effective in New Jersey the first practicable compensation law in this country. Again, Mr. Cowles was sent to New York to provide the requisite organization and join with representatives of other companies in conferences respecting this new line.

The conferences began with an organization known as the Committee of Seven, which really was the nucleus of the National Bureau of Casualty & Surety Underwriters. Mr. Cowles was a member and, incidentally, a minority of one, for he favored rates which averaged 40 percent below those approved by other members. He won a moral victory subsequently, however, when the rate he thought proper was actually put into effect.

It was while Mr. Cowles was in New York, engaged in this work, that he was elected a vice-president of Travelers. The year was 1912. During that period, too, he frequently spent week-ends visiting flying fields on Long Island where he saw the first of the prominent flyers of those days. He looked upon this new means of transportation in terms of insurance and soon thereafter produced an aircraft compensation and liability policy as well as policies for the accompanying public liability and other collateral lines.

In 1916, with war conditions impending, there came a great demand for compensation insurance. Risks had been made especially hazardous by the fact

that many companies already were manufacturing military supplies for the Allies. These included firms making explosives and chemicals, and coal mining companies.

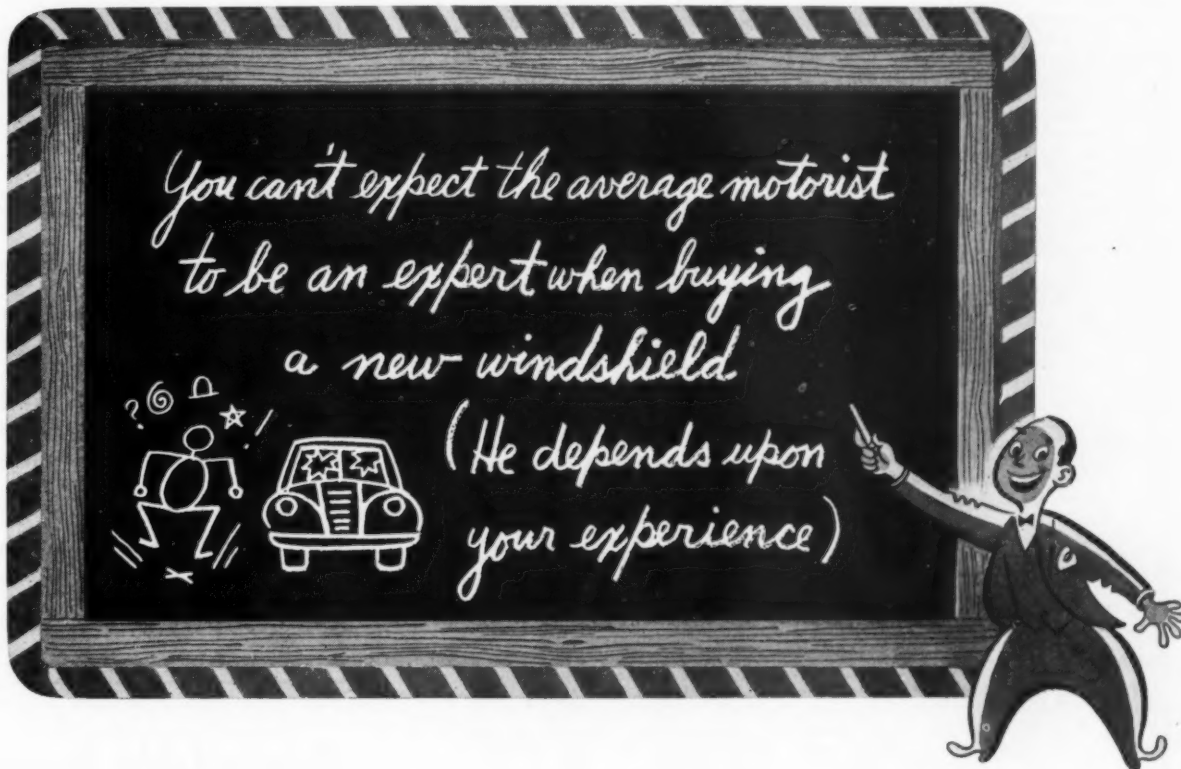
Mr. Cowles at this time organized the Associated Companies, a group consisting of 10 stock companies which became joint co-insurers on all lines of the compensation class. He was elected chairman of the organization and it became his duty to formulate a combined compensation and liability policy for use by the Associated Companies solely on hazardous risks. It was voted that the companies would write no business ex-

cept upon this specially prepared form.

The success of Mr. Cowles' first standard compensation policy suggested to the New York department the possibility of such a policy for every kind of industry, to be adopted by all insuring companies and approved in all states. This work was delegated to Mr. Cowles, who completed the task in 1918. The result is known as the standard workmen's compensation and employers' liability policy. This contract is still in use and the policy proper has remained as Mr. Cowles drafted it.

Telegraphy was an early interest of Mr. Cowles and radio captured and held

his eager attention from its birth. In 1924, when Travelers decided to erect a small broadcasting station, he was asked to superintend and direct the plans and purchase of equipment. A 500-watt transmitter was duly erected and his was the first voice heard by the comparatively small group of radio listeners in the land when Station WTIC made its debut in December of that year. Five years later, when Travelers decided to erect a 50,000-watt transmitter, Mr. Cowles was chairman of the committee appointed to superintend the project. Again he introduced the new transmitter to its audience.



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Virginia Agents Name C. D. West

(CONTINUED FROM PAGE 19)

that correction of these conditions be sought first through negotiation with the governing committee of the Virginia Rating Bureau. If this recourse fails, directors were instructed to follow the course of action which they might find most expedient.

Members of the association called into military service were assured that every effort would be made to protect and maintain their business. Companies were urged to continue the licenses of these agents.

Attendance at the convention measured well up to expectations. Registrations totaled 460. More than 500 tickets were sold for the annual banquet at which Dave E. Satterfield, Jr., representative of the Richmond district in Congress, spoke on "Bureaucracy in Government."

At the "early bird" breakfast, fire prevention topics were discussed.

The success or failure of the new agents qualification law passed at the last session of the general assembly will depend upon how it is operated. President DeJarnette said in his annual report. Recently, Commissioner Bowles requested the Virginia association and the mutual agents' association to make recommendations to the department regarding the detailed operation of the law. A committee of the Virginia association headed by Everett M. Owen, Richmond, submitted a report embodying a number of recommendations which the commissioner is now studying. The report received approval of the agents of mutual companies before it was submitted. Other members of the committee were Roger Clarke, James I. Izard, Charles W. Hubbard, John W. Harwood, Fergus A. Goodridge and Robert F. Baldwin, Jr.

Compulsory Auto Cover

Touching upon the state commission which is to study the question of compulsory liability insurance for motor vehicles, President DeJarnette suggested that the association appoint a committee which would secure assistance of the companies in preparing information and data about the operation of compulsory liability insurance in Massachusetts and on the operation of the several financial responsibility laws and be prepared to present this information to the commission.

The Business Development Office committee headed by John H. Cato, Jr., of Petersburg did not have a single call during the past year from an agent in Virginia, Mr. DeJarnette said.

The association now has 369 members. A membership campaign planned for March and April of this year had to be abandoned on account of the war. A short school term slated to be held this spring was also abandoned because of the gasoline and rubber shortages. The education committee has suggested that local boards hold panel discussions offered by the B.D.O.

B. B. Burroughs of Norfolk, immediate past president of the association, has been appointed chairman for Virginia to raise funds for the American Institute for Property & Liability Underwriters, Mr. DeJarnette said.

Bigelow to Enter Navy

Sam Bigelow, manager of the association, has offered his services to the navy, Mr. DeJarnette stated. Mr. Bigelow hopes to secure appointment as junior lieutenant in the aviation intelligence division. Mr. DeJarnette paid tribute to the fine work of Mr. Bigelow, who succeeded Oscar H. West, now managing director of the Virginia Retail Merchants' Association. Rice L. Pendleton, life and accident manager in Richmond for Travelers, made a compelling appeal to agents to sell personal accident insurance. He said that by and large the agents having the largest all around commission

accounts are the ones who have the largest accident accounts. He told of an agent who last year set out to make a record and during the 13 weeks period paid for 208 accident policies for a total premium of \$4,507. He told of an agent who during his 36 years in the business had 1,200 accident policyholders. Commissions on that business had purchased his home, provided food and clothing, has paid the premiums of the agent on a large amount of accident and health coverage and on \$50,000 of life insurance of which \$30,000 is an annuity at age 65. It has bought 10 automobiles for him of which two are left.

There are 120 accidents reported annually for each 1,000 persons, he said, and the annual loss of income through disability is three times as great as the loss of property by fire.

Market Tremendously Increased

The market has been increased tremendously by the making available of accident protection for women and children under medical reimbursement.

He pointed out that many men spend \$5 a month or \$60 a year for garage rent, to protect paint. That same amount of money would protect through accident insurance the man's income which is worth 10 or 15 times the price of his automobile.

H. D. Van Gils, agency manager of Automobile, discussed personal property floater, which can now be written in Virginia.

Various phases of fire and casualty war clauses were discussed by Guy T. Warfield, Jr., Warfield-Dorsey Company, Baltimore, who is national councillor of the Maryland association. The subject of his address was "Insurance in a World at War."

Walter H. Bennett, general counsel of the National association, warned that the revolution in American business from which insurance will not escape presents not so much a problem as to what can be done to prevent further government encroachment, as it does a problem of whether there will eventually be any insurance business, as it is now known, to sell, or service, or administer.

West Has Distinguished Career

Mr. West, the new president, is a member of the C. D. West & Co. agency at Newport News, which is headed by his father, a charter member of the association. He joined the agency in 1937. He is active in civic affairs and served as vice-president of the Virginia association and chairman of the executive committee the past year. Mr. West's uncle, Junius E. West of the West and Withers agency of Suffolk, has long been active in affairs of the association and served two terms as lieutenant-governor of Virginia. Mr. West is a cousin of Oscar H. West, former manager of the association.

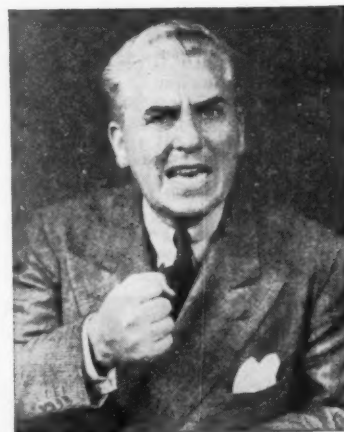
VIRGINIA NOTES

A golf team of company representatives captained by Marshall C. Speight, Globe & Rutgers, defeated the team of agents captained by Theo W. Kelley of Richmond. J. Davis Ewell, Richmond, and Aulick Burke, Travelers, were the low grossers for the two teams.

The Bernard P. Carter cup, awarded annually to a local board with the best record for outstanding service to the association and to its community during the year was awarded to Norfolk.

E. E. Goodwyn found time to attend despite his duties as director of the Virginia Protective Force, a civilian war-time organization. As head of the force he has the rank of general.

The past presidents' dinner was well attended, with B. B. Burroughs, Norfolk, immediate past president, presiding. Other past presidents on hand were: W. O. Wilson, T. G. Tabb, J. D.



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Ewell, D. C. Hancock, all of Richmond; Roger Clarke, Fredericksburg; L. T. Doble and C. R. Dey, Norfolk; E. E. Goodwyn, Emporia, and W. L. Pierce, Christiansburg.

Herbert C. Taylor, secretary of Home of New York, attended. He was state agent of Home in Virginia for many years.

The North America companies were represented by Art Moyer, Fred Clement, Richard Heilman and Edward J. Jayne from the Philadelphia and New York offices.

Major W. L. Pierce, head of the Pierce Agency, Christiansburg, is 79 and has been attending conventions for nearly 50 years. His agency was organized in 1893. He served two terms as president of the Virginia association and is its oldest living member. One son, Edwin D., helps run his agency; another, Walter M., is general agent at Miami, Fla., for Massachusetts Mutual Life, and a third, W. L., Jr., is in the local agency business in Norfolk.

A.M.A. Insurance Parley Is Largest

(CONTINUED FROM PAGE 19)

tracts which permits the government to retrieve machinery used by the subcontractor when the rental the government has paid on it equals the machinery's cost. The government can also exercise the right of recapture even though the rental does not equal the cost by paying the difference between the cost and the rental already paid.

Many contractors have equipment that they want to hang on to because its replacement would be impossible or at best long delayed and much more costly than the existing equipment. By making their contracts with the prime contractor on a price-per-unit or lump sum basis they avoid the danger of losing their machinery. As the farming out of work to subcontractors becomes more prevalent and as these subcontractors realize the risk of losing their equipment through the recapture clause they may be expected to shy away from the cost-plus basis in increasing numbers.

MAJOR HILL ABSENT

One of those scheduled to speak at the session on insurance requirements of governmental contractors, Major Reese Hill, War Department insurance expert, was unable to attend and many of the questions that members of the audience intended to ask him had to go

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unanswered. However, the government was ably represented at this symposium by W. F. Lund, Navy Department insurance counsellor. In his former capacity as insurance manager of United States Rubber Company Mr. Lund has long been active in the A. M. A. insurance division. J. A. Coleman, secretary and treasurer of American Type Founders, spoke as the representative of an industry which has had much experience with government contracts, not only with United States war materials but with lease-lend products as well.

Favors One Underwriter

Discussing the comprehensive rating plan Mr. Lund said it is extremely advantageous from the government's point of view to use one underwriter for an entire project covering construction as well as manufacturing operations and to apply this theory to all contractors involved in the work. He said it is encouraging to note that the comprehensive rating plan has been accepted by all but a few states, for this wide acceptance simplifies the obtaining of insurance on government contracts.

"With the vast number of employees engaged in many large government projects, we can readily visualize the necessity for keeping in close touch with all phases of insurance in order to charge the government the lowest premium possible for the essential insurance purchased," Mr. Lund said. "This seems to be the motive of all interested parties, buyer and seller alike, and it is evident that such foresight can have only one complimentary reaction in a future day of reckoning."

"It is gratifying to comment here on the splendid cooperation we have received from the insurance companies and advisers, all of whom realize that during the emergency it might be said, 'it is better to give than to receive.'"

Premiums Found Reasonable

Mr. Coleman said that on receiving its first contracts from the United States government and reviewing the clauses relating to insurance it was found that very few changes had to be made, since the firm's insurance was written on modern terms. There was already in force blanket fire and supplemental insurance on all the plant's real and personal property, whereas on branch distributing points there were reporting forms. Casualty insurance was also written on a broad form of contract.

As far as premium costs were concerned, investigation showed that the rates and premiums charged were both fair and reasonable. The company's insurance program was continued, in general, as in the past and to date all concerned have been satisfied with evidence of insurance in force, after which certificates of insurance or duplicate copies of the insurance contracts were furnished to those in authority. Where requested, the insurance contracts were extended to cover the interests of the United States of America and an additional endorsement was attached to the effect that in the event of cancellation or any material change in the form of policies, 10 days' written notice would be given to the interests covered under the contracts.

It was evident that a problem that

is bothering a good many insured is their position in the event they are held liable for an occurrence against which the government did not contemplate their being insured. Some one recalled that in the construction of a state building in Pennsylvania some years ago the contractor was held liable for a fire loss and his surety had to make good. The opinion was expressed that if the government is not going to hold the contractor liable beyond the coverage of the required insurance the contract should make this clear. The question arises in connection with government owned property in the contractor's hands.

Post-War Use of Comprehensive

There was some speculation on the postwar effect of the use of the comprehensive rating plan for insurance but no definite predictions were offered.

Outlining the reasons why American Type Founders' insurance program was generally accepted, Mr. Coleman listed the company's anticipation of what was wanted and required by the government, the cooperation of insurance brokers and insurance carriers in having provided the broadest form of contracts, the simplicity of having the contracts with the government on a "cash on delivery" basis, and the experience

gained from contracts with foreign governments before passage of the lend-lease act.

Since American Type Founders has as yet had no experience with the comprehensive rating plan Mr. Coleman said he was sorry that Major Hill was not on hand to answer some questions that had come up in connection with this form of coverage. His first question, which was evidently in the minds of many others in the audience, was whether in the event of deaths or injuries to employees as a result of invasion or air raid the occurrence would be considered as coming within the scope of the employee's employment, that is, would the liability rest with the government or with the insurance carrier? The opinion of insurance company men present was that the insurer would be liable as the law stands at present, although it is expected that passage of the Pepper bill will provide for reimbursement of the carriers.

Other Questions Are Asked

Other questions were: Under a cost-plus fixed fee contract is the contractor required to insure physical property belonging to the government, such as buildings, materials, supplies used in the construction of plants, also such goods as machinery, shells, guns and other



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equipment while at plant or while in transit or on premises of subcontractors?

Are there any provisions made under the army plan for rehabilitation of employees injured during the course of employment?

Does the army furnish medical services or does the insurance company provide this service? If the army furnishes medical service how will it handle cases which will require medical treatment for many years to come, as in the case of permanent or total disability?

Does the army plan contemplate the use of all manual classifications or does the War Department recognize that a single rate is preferable if a reasonable average can be arrived at. With insurance on a cost-plus basis it would seem that a premium is not as much a factor as on a fixed premium basis, Mr. Coleman observed.

In view of the government's recently adopted plan to eliminate bid and contract bonds wherever possible what position does the government take as respects fidelity bonds for employees? Does the government let the contractor use his own judgment or does it have fixed requirements in that respect?

NOVEL PLAN USED

Mr. Coleman said that recently on signing a new substantial contract for the manufacturer of parts American Type Founders encountered such difficulties in obtaining fire and supplemental insurance covering the facilities for manufacturing these parts, these facilities eventually being the property of the government. The difficulty was primarily due to the fact that the firm could not obtain information as to when the merchandise would be delivered nor the quantity that could be expected to be delivered at any one time.

American Type Founders' brokers in cooperation with the insurers effected a novel program, through a policy, for an amount equal to the total amount of the contract awarded by the government, identifying the property by reference numbers of the contract. It was agreed that premiums would be computed on the basis of periodic reports of values.

Mr. Coleman said he believed it would be advantageous to industry if the government would establish at a place nearer than Washington, an office which could render service and advice on what is expected of contractors in the way of evidence of insurance and that such an office should be run with competent clerks, preferably from the insurance business.

HARRY NEWELL SPEAKS

Harry Newell, assistant chief engineer National Board, dealt with some of the typical problems that arise in connection with plant protection. He said that in spite of the knowledge of inherent hazards in handling paint and lacquer in the air plane industry and other industries where these materials are used there is misunderstanding and sometimes ignorance not only of the features of location of the storage and mixing rooms but of details of construction and safeguarding of the hazards as well. Also, the wide use of magnesium for many war purposes has raised the question concerning the value of automatic sprinklers for machine shop operations involving this material.

A question which came up originally about two years ago and which is still a subject of considerable discussion is the value of sprinklers in modern airplane hangars of great height. Bureau of standard tests conducted many years ago demonstrated the ability of sprinklers to control fires in hangars as they were then constructed. But since that time there have been considerable changes in the design of airplanes, particularly as to height and wing spread hence today the military hangar is a

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structure that frequently is 70 feet or more high at the highest point.

The greatly expanded program for the manufacturer of high explosives has increased the use of alcohol and this in turn has served to focus attention on putting out fires where alcohol is involved. A subject frequently brought up by plant management is that of explosion-proof electrical equipment. The real difficulty, however, said Mr. Newell, is the lack of some standard method for determining when a location is hazardous and requires equipment as specified in article 500 of the national electrical code.

Elimination of static electricity in

connection with many manufacturing processes is also a knotty problem. The number of ways in which static can be created is legion and the fire protection engineer is usually depended upon to find a solution. In this connection the National Board at the request of the Navy Department has advised on ways and means of safeguarding navy hospital operating rooms against the danger of static electricity, the hazard being due to the use of highly explosive anesthetics such as ether, ethylene and cyclopropane.

Problems which loom large in wartime fire protection are protection of piers, wharves and connected waterfront

properties where the production of industry accumulates for shipment overseas, the safeguarding of the country's grain supply after it is stored in the terminal and grain elevator, and the protection of the cotton supply, since this material finds so many uses. It can truly be said that the business of fire insurance and all its trained forces are enlisted in the forces of the country for the duration, Mr. Newell declared.

Lt.-Commander S. J. Singer of the industrial division of the office of civilian defense outlined the proper precautions to take in safeguarding plants against possible air raids. Others who partici-

(CONTINUED ON LAST PAGE)

INSURANCE NEWS BY SECTIONS

MIDDLE WESTERN STATES

Heavy Storm Losses in Minnesota, Iowa Reported

MINNEAPOLIS—Hail, wind and rain claims followed unprecedented rainfall in Minnesota the closing days of May. Hail losses were quite severe in scattered parts of southern Minnesota, flax and rye especially being damaged. Adjusters rated the hail damage about as severe as that of a year ago.

Windstorm losses were quite large in the rural sections, while St. Paul and Minneapolis rain damage was heavy and many property owners inquired what chance they had to collect for flooded basements. In one case a claim was made and paid under a personal property floater on a flooded recreation room in which the owner had to paddle a canoe to rescue some articles.

Stored merchandise was damaged in several places.

Lightning struck the large Schroeder Milk Co. plant near St. Paul, causing damage estimated at more than \$50,000 with full insurance coverage. Nine milk trucks were either destroyed or damaged, some of them practically new.

MANY IOWA STORM LOSSES

DES MOINES—Windstorms caused heavy damage in Iowa May 31, leveling farm buildings and killing livestock in Dickinson, Lyon and Osceola counties in the northwestern part of the state, with hail damage reported in the northeastern section. The estimated loss was \$65,000 in Dickinson county alone.

The main building of Luther college at Decorah, Ia., was destroyed by fire believed to have been started by lightning May 31 with loss estimated at more than \$100,000. Insurance of \$85,000 was carried on the four-story brick building.

Subrogating Carrier Held to Share in Judgment

ST. PAUL—In an interesting subrogation case, the Minnesota supreme court held that Home of New York, which had paid a total collision loss, was entitled to recover the amount paid from a judgment obtained by the assured against the party causing the loss.

Hayward, the assured, after collecting a total collision loss from Home and turning the remains of the car over to the company, sued Vollbrecht, who caused the accident, and recovered a judgment of \$7,401. State Farm Mutual, which insured Vollbrecht, paid Hayward the judgment, minus the \$550 which Home had paid. Hayward sued both companies, State Farm Mutual paying the balance into court and being dismissed. Reversing a lower court decision, the supreme court held that the respective rights of the assured and insurer under subrogation are inseparable and that there was no way in which Home could enforce its right other than to participate in the assured's recovery.

Watson Is Wood County Speaker

WISCONSIN RAPIDS, WIS.—Harold Watson, Milwaukee, state agent Security of Connecticut, spoke on "Inland Marine Insurance" at the monthly dinner meeting of the Wood County Insurance Agents Association.

Ill. Fire College Program

A number of persons identified with the insurance business are on the program of the Illinois Fire College at the University of Illinois, June 16-19. They include Harry K. Rogers and J. Burr Taylor of the Western Actuarial Bu-

reau; George Tatnall of the National Board; R. D. MacDaniel, director of field service Grain Dealers National Mutual; Emmett Cox, Indiana Inspection Bureau; John A. Neale and C. R. Welborn, Underwriters Laboratories, and Maj. John W. Lasier, a former broker connected with the Critchell-Miller agency in Chicago.

Wichita Women Elect

LeOna Suhm of Harris, Burns & Co. has been elected president of the Wichita Association of Insurance Women, succeeding Mable Frost of Crum & Forster. Vice-presidents are Loree Blue, Anderson-Coombs Agency, and Pearl Shoff, Great American; treasurer, Edith Semple, Dulaney, Johnston & Priest; secretary, Viola Miller, Wheeler, Kelly, Hagmy. Election took place at the week-end for insurance women of Kansas at which representatives from Topeka, Independence, Wellington and Great Bend were present.

At the final study class meeting B. J. Weldon of Dulaney, Johnston & Priest led the discussion on "Bonds."

St. Louis Board Gives Blood

ST. LOUIS—Members of the St. Louis Board and their employees have donated more than 440 pints of blood to the Red Cross blood bank in a four day campaign during which Red Cross blood donors' mobile unit was stationed in the Pierce building, headquarters of many St. Louis insurance firms. The campaign was so successful and attracted so much favorable comment, that the board is recommending the idea to other local boards. The theme of the campaign was "Send Your Blood to War." Among the first to volunteer were members of the blood donors' committee of the board, of which Sam Capon is chairman.

District Meeting in Ohio

Under the direction of George E. Corby, trustee for the seventh district of the Ohio Association of Insurance Agents, a meeting of representatives of the various counties in that district was held in Cleveland. E. B. Berkeley, vice-president, and Ray Martin, secretary of the association, together with S. J. Horton, secretary of the Cleveland Board, attended the meeting. The association has plans under way to appoint a representative in every city and town in the state.

Sixty at Des Moines School

DES MOINES—More than 60 insurance men and women are attending the school sponsored by the Des Moines Association of Insurance Agents, with the first course of 20 hours devoted to fire.

Instructors for the first course are Fred E. Brake, Great American; W. K. Hankinson, National Fire, and L. A. White, Royal-Liverpool.

Jochen Minneapolis Speaker

MINNEAPOLIS—Insurance problems in war time will be discussed by Bert A. Jochen, assistant western manager of American, Rockford, Ill., at the quarterly luncheon meeting of the Minneapolis Underwriters Association June 8.

N. W. Minnesota Group Elects

CROOKSTON, MINN.—The Northwestern Minnesota Agents Regional Association meeting here elected C. M. Berg of McIntosh president, and Morlan A. Melby, Gonvick, secretary. C. R. Bock, Royal-Liverpool, lectured on "The Mechanics of Company Operation." President L. D. Engberg and

Executive Secretary Frank Preston of the Minnesota Association of Insurance Agents were present and spoke on state and National association activities. Herman Strander, Crookston, retiring president, presided. The regional adopted a resolution favoring the 80-20 collision clause.

Fire Causes \$150,000 Loss

Fire caused an estimated \$150,000 insurance loss to the plant of the General Refractories Company at Oak Hill, O. The company manufactures fire brick and other clay products.

Nebraska and Iowa Licenses

The Nebraska department has completed issuance of about 30,000 agents' licenses to 7,200 applicants. Certificates have been issued to 610 companies of all types.

Iowa agents took out about the same number of licenses this year as in 1941. The number is estimated at 53,000.

NEWS BRIEFS

Ward Senn, Minneapolis agent and president of the Hennepin county safety council, has appointed a committee to work out a program for cooperative use of motor cars. Clyde B. Helm, secre-

tary Insurance Federation of Minnesota, is a member.

S. J. Howell, Omaha local agent, has filed as a candidate for the legislature to succeed Amos Thomas, former company executive now in military service.

The Wichita Association of Insurance Agents viewed the St. Paul's films "The Bombing of Pearl Harbor" and "Fighting the Fire Bomb" at their regular meeting this week.

The Sanborn Map Co. has issued a new map of Hutchinson, Kans.

Residents of the Overland-St. John's section of St. Louis county, Mo., have voted the incorporation of community fire district.

C. L. Krum, Cleveland manager of Aetna Casualty, addressed the Insurance Women of Columbus this week. A picnic will be given Aug. 3. Insurance women of Akron have been invited to attend.

Judge Robert Rensch, chief air raid warden for St. Paul, spoke at the quarterly meeting of the Insurance Exchange of St. Paul. "Air raid" films were shown.

Carl Johnson of Crum & Forster addressed the Southeastern Minnesota Agents Regional Association at St. Charles on "Engineering Forces Behind the Product."

EASTERN STATES ACTIVITIES

Conn. Mid-Year Meeting Will Stress Education

HARTFORD—The mid-year meeting of the Connecticut Association of Insurance Agents will be held at the Hartford Golf Club here June 10. The theme will be "A Pattern for War Time Production," and emphasis will be on helpful information and education for the agents.

In the morning John A. North, vice-president of the Phoenix of Hartford group, will talk on "The Impact of the War on the Fire Insurance Business." The effect of war conditions on inland marine business will be given by Henry Van Gils, superintendent of agencies of Automobile.

Discuss Financial Responsibility Law

The remainder of the morning session will be devoted to talks on the New York financial responsibility law. Secretary William H. Wiley of Hartford points out in announcing the program that the Connecticut association realizes that a very energetic campaign must be initiated before the next session of the legislature in order to defeat compulsory automobile insurance in Connecticut. The aim of the association is to advocate strongly a financial responsibility law similar to that of New Hampshire and New York.

Augustus C. Wallace, president of the New York State Association of Local Agents, will discuss the operation of the New York act from the viewpoint of agents. Judge Bernard A. Culloton, deputy commissioner of motor vehicles of New York, will discuss "The Operation and Effects of the New York Act as Seen by Public Official with a Responsibility of Law Enforcement."

E. W. Sawyer, National Bureau of Casualty & Surety Underwriters, will speak on "The Impact of the War on the Casualty Insurance Business."

Following luncheon, at which the association hopes to have Commissioner Blackall as a speaker, Charles C. Magerl, manager of the Boston office of Fidelity & Deposit and American Bond-

ing will talk on "Fidelity and Surety Production." Following this there will be a talk on accident and health insurance by W. F. White of the accident and health department of Globe and Royal Indemnity companies.

Dean Lawrence J. Ackerman of the school of business administration, University of Connecticut, and educational director of the Connecticut association, will conduct "A Battle of Cities," which will be the final feature of the program. The state will be divided into three sections, and an agent will be chosen to represent each city in each section. These agents will be quizzed by Professor Ackerman on subjects pertaining to the business. The section answering most questions correctly will win the contest and each member of the winning team will receive a \$5 war stamp. Section 1 will include Bridgeport, Stamford, Greenwich and Danbury with all outlying towns; section 2, Norwich, New London, New Haven, and outlying towns, and section 3, Hartford, New Britain, Meriden and Waterbury and intervening territory.

The convention will adjourn at 4:30 p. m., in order to permit golf.

Distribute 'Phone Directory for Baltimore-Washington

Distribution is being made this week of the first edition of the Baltimore-Washington Insurance Telephone Directory published by THE NATIONAL UNDERWRITER. The Baltimore-Washington book is similar in appearance and makeup to the ones published by THE NATIONAL UNDERWRITER for Chicago, Detroit, Pittsburgh, Philadelphia, Boston and Dallas-Houston. The Baltimore-Washington book thus becomes the seventh in the list of those published by THE NATIONAL UNDERWRITER for the principal cities of the country.

Recognizing that both Baltimore and Washington are assuming additional importance as insurance centers, THE NATIONAL UNDERWRITER decided to publish an insurance telephone directory for these two cities annually. The new book contains the name, address and telephone number of all of the agencies, general agencies, branch offices and home offices in both Baltimore and

Washington. The makeup of the book is such that it is convenient to use. With it, all insurance telephone numbers in the two cities can be found in the quickest possible time. The Baltimore-Washington book was compiled by E. H. Fredrikson, resident manager of THE NATIONAL UNDERWRITER, with offices at 1127 Fidelity-Philadelphia building, Philadelphia. Additional copies of the book may be obtained from him or by writing to THE NATIONAL UNDERWRITER, 175 West Jackson boulevard, Chicago.

Rationing in East Does Not Have Serious Effect

BOSTON—Gasoline rationing in New England has had its principal effect as regards the insurance business in causing the postponement of the annual New England State Associations of Insurance Agents convention, and the cancelling of the annual spring school for agents sponsored by the Massachusetts association, which had received over 250 applications for the course.

Special agents generally in the New England field have received the B3 cards which allow a limited amount of gasoline, but they are receiving favorable consideration by the rationing boards so that to date there has been no interference with their actual travel on matters of business.

Van Iderstine Is President

W. Van Iderstine, Northern Assurance, is the new president of the Underwriters Association of the Middle Department. R. S. McKain, Fire Association, was elected vice-president, and W. W. Hartman, secretary. Mr. Hartman succeeds C. H. Hill, who is now executive manager of the Middle Department Rating Association, and former secretary of the Maine Association of Insurance Agents.

Williams Regional Officer

Claude E. Williams, new president of the Marlboro, Mass., local board, has been appointed regional vice-president of the Massachusetts Association of Insurance Agents for the Framingham-Marlboro district, by President Paul J. Woodcome.

Prof. Ackerman to Lecture

James F. Crafts of Boston, vice-president and eastern manager of Fireman's Fund, who was slated to lecture at the fire protection engineers' conference sponsored by the Massachusetts Institute of Technology, June 22-24, has had to cancel his engagement because of pressure of other matters. He secured Prof. L. J. Ackerman, dean of the School of Business Administration at the University of Connecticut, to take his place.

Foosner Heads N. J. Committee

Samuel J. Foosner, insurance attorney of Newark, has been appointed chairman of the insurance committee of the New Jersey State Bar Association. The committee embraces all branches of insurance.

School Cover to 5-Year Agents

The Englewood, N. J., insurance committee on school buildings has decided to make allotments on school insurance only to agents who have been established in Englewood for at least 5 years, and that the list shall not be added to in

the future. There has been much criticism recently of the distribution of such insurance.

Complete N. J. Forums

The current series of "production forum" at 12 centers in New Jersey, conducted by the New Jersey Association of Insurance Agents and the University of Newark, has been completed. The educational committee of the association has made no plans for the coming year, due to the unsettled conditions at present.

NEWS BRIEFS

William E. Baker has been appointed insurance representative for the Tenafly, N. J., borough council. Mr. Baker will handle 50 percent of the business himself and then divide 50 percent among other insurance agents of the borough.

A report on the convention of the National Association of Insurance Agents was given at the regular meeting of the Insurers Association of Washington, D. C. A nominating committee was named to present candidates at the next meeting, June 30. The election will be held in September.

SOUTH

Alabama Committees Named

BIRMINGHAM, ALA. — President Ed H. Moore of the Alabama Association of Insurance Agents has appointed the following directors as members of the executive committee: John O'C. Jackson, Mobile; C. S. Boswell, Huntsville and W. H. Murphree, Troy. George H. Butler, Anniston, was elected chairman at the recent convention, and Vice-president Yetta Samford, Opelika, and National Councillor Charles Gandy, Birmingham, complete the committee with M. R. McGruder as secretary.

Other committee chairmen are: Membership, Stephens Croom, Mobile; legislative, Arthur Mead, Montgomery; rural agents, Carl Bloxham, Fairhope; grievance, Claude Davis, Huntsville; accident prevention, W. Douglas Leake, Jr., Jasper; education, L. J. Thomas, Sr., Dothan, and fire prevention, Owen Meridith, Tuscaloosa.

Tenn. Plant Protection Schools

NASHVILLE—C. N. Richardson, Nashville manager of the Tennessee Inspection Bureau, addressed 150 manufacturing plant owners and their representatives from Nashville and 15 middle Tennessee counties at Peabody College at a plant and property protection school. This is one in a series of schools throughout the state sponsored by the inspection bureau and the Office of Civilian Defense, of which Insurance Commissioner McCormack is state chairman. Similar schools are scheduled this week at the University of Chattanooga, and University of Tennessee. The OCD plans a series of monthly practice blackouts beginning June 9.

Vote on Mississippi School

Members of the Mississippi Association of Insurance Agents are voting by mail on the question of whether to hold a school for fire, casualty and surety again this year. If such a school is held it will probably be at Jackson, July 22-24. Those voting in favor of holding the school are asked to state how

many members of their agency, if any, will attend.

Texas General Agencies Merged

SAN ANTONIO—The Hugh Sloan & Co. general agency has been consolidated with the Texas General Agency Company. Mr. Sloan will continue active work in the general agency field, with the Texas General Agency Company. E. A. Holekamp, who has been office manager for Sloan & Co., also will be associated with the Texas General Agency Company.

Companies represented by the consolidated agency include Anchor, American & Foreign, Birmingham, Pa. (auto only), Globe & Republic, Merchants & Manufacturers, New York Fire, Preferred Fire, Providence Washington, Provident Fire, Richmond, American Bonding, Car & General, Fidelity & Deposit, Globe Indemnity and Utilities.

Form N. C. Women's Group

Forty-four delegates representing local organizations of insurance women in Charlotte, Raleigh and Greensboro met in Greensboro and formed the North Carolina Association of Insurance Women. Mrs. W. H. White of Charlotte was elected president, Mrs. Elsie H. Lee of Raleigh, vice-president, Miss Katherine Pittman of Raleigh, secretary, and Miss Ada Kivett of Greensboro, treasurer. Ella S. Mial, Raleigh, Letha

King and Alice Little, Charlotte, and Mrs. J. Roy Cary were elected to the executive committee.

Augusta Board Changes Name

AUGUSTA, GA.—The Augusta Board of Underwriters has changed its name to Augusta Board of Fire & Casualty Agents.

The annual meeting will be held June 20.

NEWS BRIEFS

W. J. Heffernan, Jr., local agent, has been reelected president of the Lions Club of Augusta, Ga.

Gene S. Porter, 32, Belton and Tem-

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SAN FRANCISCO



ple, Tex., insurance man, has announced his candidacy for governor of Texas in the Democratic primaries. He has never before been a candidate for political office.

M. V. Joyce, Jackson, Tenn., local agent, has been appointed chairman of the U. S. O. campaign in Madison and five adjoining west Tennessee counties.

Henry J. Street is leaving the Travelers branch in Richmond where he has been working as an office agent, to open a local agency in that city repre-

sending Capitol Fire and Eagle Indemnity.

E. J. Miller, Louisville local agent, for three years chairman of the Republican executive committee of Louisville and Jefferson county, has resigned that post.

R. E. McHale of Gottschalk General Agencies and Miss Althea Stumpf, Godchaux & Mayer, both of New Orleans, will be married June 17.

The Fidelity Insurance Agency, Jackson, Tenn., has been purchased by White & Hubbs.

PACIFIC COAST AND MOUNTAIN

Wickard, Doherty Advanced in Coast Department

SAN FRANCISCO—Two important appointments in the staff of the Pacific Coast department of North British are those of Fred E. Wickard as assistant secretary and of C. W. Doherty as superintendent of agencies. S. T. Shotwell, vice-president of the companies, is Pacific Coast manager, and H. H. Osborn, assistant manager.

Mr. Wickard, who has been connected with North British 22 years, will devote considerable time to field work, aiding in the production of business. He will continue supervision of the inland marine and the brokerage and service divisions. After several years in the Pacific Coast headquarters Mr. Wickard traveled Oregon as special agent from 1926 to 1931, when he was recalled to San Francisco to join the inland marine department, of which he was shortly named superintendent.

Mr. Doherty's association with North British began in 1924, previous to which he had five years' experience with Scottish Union. He became chief examiner in 1936, which work he will continue to handle in connection with his enlarged duties.

Agree to Conference Plan in California

SAN FRANCISCO—An arrangement has been completed between the Associated Insurance Producers of California and the Pacific Board in which it is agreed that the representatives of the two groups will hold conferences pending proposed changes in rules, rates or regulations governing the writing of fire insurance coverages in California.

As the membership of the Associated Insurance Producers consists of the California Association of Insurance Agents, the Insurance Brokers Exchange, the Society of Insurance Brokers and the California Association of Life Underwriters, conferences with the representatives of these bodies in the producers' organization means that all organized producers of the state will be informed at one time, thus eliminating the separate conferences and confusion which have weakened the conference plan in California.

F. M. Hohwiesner, chairman of Associated Producers and president of the National Association of Insurance Brokers, completed the negotiations with the Pacific Board. The conference committee of the producers organization to meet with representative officers of the board will consist of H. H. Hendren, president; C. W. Carpenter, vice-president; and Harry Perk, Jr., California Association of Insurance Agents; John G. Levison, chairman, and Jack Okell, vice-chairman Society of Insurance Brokers; R. D. Blake and E. Pym Jones, Insurance Brokers Exchange, and Mr. Hohwiesner.

The proposal was taken up at the annual meeting of the Pacific Board

and the executive committee was given authority to act.

Many Seattle Offices Are Moving from Exchange

SEATTLE—The Washington Surveying & Rating Bureau and the Washington Insurance Examining Bureau will move soon from the Exchange building to the Alaska building. Both organizations were located there before they moved to the Exchange building 12 years ago. The move was made necessary due to the Navy requisitioning 11 floors of the exchange. The federal court here signed an eviction order last week.

Numerous other insurance offices are affected, including the Fire Companies Adjustment Bureau. The federal order went beyond the 15th floor originally requested and included the 16th, where the bureau is located.

Clarke & Clarke, attorneys for the standard companies; C. B. Mayo, special agent Phoenix-Connecticut group, and H. C. Rowles, special agent, North British, are moving to the Alaska building, and Bowles, White & Brink, Royal-Liverpool groups, American Bonding and Springfield Fire & Marine are moving to the Dexter Horton building.

O'Mara Is Shaw General Agency Vice-president

F. A. O'Mara, who has spent 20 years in insurance in the mountain territory, formerly special agent and engineer for the Roy D. Wilcox agency in Denver, has joined E. W. Shaw & Co. general agency as vice-president and field supervisor. The general agency covers Colorado, Wyoming and New Mexico.

Urges Emphasis on Prevention

SAN FRANCISCO—In his report to the California Bankers Association, A. G. Reader, Union Title Insurance & Trust Co., San Diego, insurance chairman, stressed bombardment and war hazards; extraordinary risks due to conditions such as blackouts; risks and problems resulting from changes in personnel; necessity of eliminating unnecessary insurance costs due to mounting taxes and overhead and possibility of increases in premiums; necessity of keeping insurance in line with current values; and how to prevent losses.

He placed particular emphasis on preventing losses and the possibility of increased fidelity losses. "We must think of insurance more from the standpoint of loss prevention and less from the viewpoint of compensation for loss."

L. A. Women's Group Elects

LOS ANGELES—The Insurance Girls Service Club of Los Angeles has elected the following officers: President, Dorothy Moran, H. J. Lane agency; vice-president, Doris Jackson, Massa-

chusetts Bonding; recording secretary, Olga Walker, James P. Bennett; corresponding secretary, Margaret Leis; treasurer, Lillian Weinfeld, California Insurance Bureau. Nora Walker, past president and Dorothy Moran were named delegates to the convention of the National Association of Insurance Women.

Brokers' Society Changes

SAN FRANCISCO—The Society of Insurance Brokers will vote at the semi-annual meeting June 9 on several amendments to the constitution, including a proposal that eligibility be limited to citizens of the United States and another providing for election of a president and vice-president from members of the governing committee. Heretofore the society has had no president or vice-president. The governing committee elected a chairman and vice-chairman who also served in the same capacity with the executive committee.

Nominees to the governing committee are: Two year term, Campbell-Okell & Co., Mark M. Meherin & Son, Cosgrove & Company, Inc., Erlanger, Reed & Meyer; John G. Johnston & Son, Inc., Paul Nathan and Thomas B. Smith. Nominated for the arbitration committee for 18 month terms are Gus H. Pollock and Vincent Whitney.

Hold Down War Industry Fires

According to the San Francisco fire department, fires in the heavy industrial district of the city, where most of the city's vast war work is being handled have been held to a minimum. This is the result, say officials, of the daily work of a special squad of firemen, trained in inspection and prevention work, who make surveys of every structure in the area. These men insist upon the installation of adequate fire-fighting facilities, training of watchmen, trained fire brigades, etc.

Develop Public Understanding

SAN FRANCISCO—The need for developing a better public understanding and appreciation of insurance was stressed before the Fire Underwriters Forum of San Francisco by H. W. Semmelmeier, director of public relations Pacific Board.

Pacific Board department heads answered questions on extended cover endorsement, renewal certificates, farm rules affected by the restricted use of automobiles, etc. William Callahan, Fireman's Fund, presided.

Agent Fined, License Restored

SEATTLE—The license of I. Lloyd Hahn, Spokane local agent, was revoked by Commissioner Sullivan and subsequently reinstated on appeal to the superior court after Hahn was fined \$100 by that court. According to information filed by Commissioner Sullivan, the license revocation was ordered after Hahn admitted writing fire insurance on the Golden Age Breweries of Spokane in violation of filed forms, rules and rates.

Broderick Quits Northwest

SEATTLE—Roy Martin, Jr., of Seattle has resigned as president of D. F. Broderick, Inc. (Washington) and as a director of various affiliated corporations.

Mr. Martin said the Dearborn Na-

tional and Dearborn National Casualty, Broderick companies, have suspended agency operations in the Pacific Northwest states.

Opinion on California Law

The California attorney-general has given on opinion to Commissioner Caminetti to the effect that the insurance code's section 1101 does not apply to non-domestic insurers unless the solvency of the insurer is affected. This section governs actions of officers, directors, trustees, etc., of insurance companies as to receiving money for negotiating the purchase or sale of property or loans from an insurer.

L. A. Exchange Lectures

LOS ANGELES—H. Everett Charlton, head of Seyler-Day Co., lectured at the Insurance Exchange classes this week on "Surety Insurance" and Clyde W. Thornton, Mathews & Livingston, on "Ocean Marine Insurance."

To Lecture on Extended Coverage

LOS ANGELES—V. W. McKinney, special agent of America Fore, will lecture before the Insurance Exchange of San Diego June 8, on "The Sales Features of the Extended Cover Endorsement."

Pierce Assumes L. A. Presidency

LOS ANGELES—President Robert J. White of the Insurance Exchange of Los Angeles has been granted an in-

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THE PRIZE-WINNING PUP

Many proud dog owners cannot wait until their pet reaches his full growth before they enter him in dog shows.

The average dog show is a bustling, happy place, with dog lovers all aglow in genial rivalry that marks a gathering of friendly folk drawn together by a common interest.

Then comes the big moment when the entries have been judged, and the awards are given out. Ribbons and medals bring their measure of satisfaction, but when a pup wins the coveted "Best of breed" or even "Best in class," that indeed is a gala occasion. The etcher here has caught a little prize winner, a Boston terrier puppy at the crescendo of his glory, so to speak, certainly "resting on his laurels" as he views the world from the cup just awarded to him.

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definite leave of absence from his position as head of the exchange and its governing committee to take care of personal matters, and Willson Pierce, Jr., vice-president, has been named acting president. The governing committee is choosing an acting vice-president to fill Mr. Pierce's place.

Skit at L. A. Meeting

LOS ANGELES—The meeting of the Insurance Exchange of Los Angeles was featured by the presentation of a skit by a cast of characters from the Southern California Fire Underwriters Association. It burlesqued the call of a local agent, accompanied by his special agent, on a policyholder. Samuel L. Carpenter, Jr., of the Board of Fire Underwriters of the Pacific spoke.

Report Mont. Liquor Store Bids

HELENA, MONT.—The Montana state board of examiners has rejected all bids for fire insurance and extended coverage on the stock of 155 liquor stores. New bids will be received June 10 with the board requesting "more reasonable and equitable rates."

Postpone Wash. Surplus Line Meet

The annual meeting of the Surplus Line Association of Washington has been postponed from June 1 to June 29. The change was made to permit a full year's operation, as of June 11, to be reflected in the reports.

Spokane Tournament June 8

SPOKANE, WASH.—The annual Spokane "Insurance Peddlers vs. Bull-Throwers" golf tournament has been announced by the Spokane Insurance Association and the Inland Empire Fire Underwriters Association for June 8. H. A. Manchester, representing the local agents, and R. E. Swan, C. B. DeMille General Agency, representing the field men, are in charge. The J. Tom O'Brien Cup will be awarded to the winning team at a banquet.

The Insurance Women's Club of Seattle has elected two delegates to the national convention in St. Paul, Betty Playman of Dawson & Field and Gladys Maine, Royal-Liverpool.

MARINE

I.M.U.A. Assails "Baby" Personal Property Floater

The sale of so-called "baby" or limited form personal property floaters by non-member companies was denounced in the report of the administration at the annual meeting of the Inland Marine Underwriters Association at Skytop, Pa.

The issuance of such policies affects the business as a whole adversely, the administration stated. It is termed by some a "gold" brick policy. The objection is not to a contract of limited scope or even that the language is ambiguous but rather that the personal property floater label is being exploited.

The personal property floater has come to be identified as a broad all-risk coverage and to use the title in connection with any limited form is inviting trouble to the agent and company that sell it and to the business as a whole.

Problems lie ahead in the realm of the personal property floater, the administration stated. The loss ratio has been steadily mounting and a serious review of rates may be necessary. The administration recommended a review of the present form and rules to determine whether any revisions are in order.

During the year not a single violation of any kind was passed through the files without a penalty being assessed. Most of the penalties were for inadvertent

clerical errors. The board of appeals has not been called upon to function since its election.

Marine Definition Modified in S. C.

COLUMBIA, S. C.—Commissioner Benjamin has modified the uniform definition of marine insurance in South Carolina to permit the personal effects floater and the silverware floater to cover within the assured's permanent residence.

Two other common exceptions to the uniform definition, authorization of the personal property floater and extension of the furriers customers policy to include certificates to customers covering property away from the furrier's premises, have been in force in South Carolina for some time, but for the sake of uniformity all four exceptions were incorporated in the latest ruling.

Winnipeg Agents Elects Revie as New President

The Insurance Agents Association of Winnipeg at its annual meeting elected these officers: President, D. W. W. Revie, Stock Investment Co.; vice-presidents, H. G. Tucker, Osler Hammond & Nanton, and R. C. McKibbin, Smith, Fess & Denison; secretary, V. D. Hurst, Western Canada Insurance Underwriters.

On the executive committee are: William Bruce, Huggard & Co.; C. S. McDonald, Security Land Co.; W. J. Reith, Enderton, Brydges & Waugh; Eric Severn, C. S. Gunn & Co.; Robert Moulden, Equitable, and Frank Horne, Allan, Killam & McKay.

Lloyds Group Reduces Rates

TORONTO—A reduction of 15 percent in property damage and public liability insurance rates has been put into effect by non-marine underwriters at Lloyd's on private passenger cars in gasoline rationing categories A and B in Toronto territory. Cars which fall in the category of BX or higher are not affected.

Rates in Montreal are reduced 20 percent for vehicles in gasoline category A and 12½ percent for those in category B.

PROSPECTS

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Just the Vacation you need

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TWIN BEDS \$3.50 AND \$4.50

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Distinguished visitors from every land have, by their patronage, made The Blackstone, in Chicago, one of the World's most famous hotels. Here, the discriminating traveller enjoys an atmosphere of refinement, courtesy, graciousness. Here, beautiful appointments, quiet luxury, perfect service, excellent cuisine, and sparkling entertainment in The Blackstone's brilliant Mayfair Room—all combine to satisfy a notable and discriminating clientele.

A. S. KIRKEBY, Managing Director

The Blackstone

South Michigan Ave.
CHICAGO

Details of War Damage Setup

(CONTINUED FROM PAGE 11)

premiums and other income applicable to this business.

The outgo is to consist of losses paid by War Damage Corporation, loss adjustment and investigation expense of War Damage Corporation; commission to producers; allowance for fiduciary agent's expense; operating expenses of WDC; amounts paid by WDC as reimbursements for taxes and indemnification.

There is a provision that WDC may make statements as of the last day of any year or at the end of any quarter of the year. If at the end of the year there is shown a net deficit the participant is required to remit to the WDC but is not required to remit at that time more than 25 percent of its obligation. If in any one year the participants remit to the WDC, there is a provision that the participants next year are entitled to a refund if there should be a net income available for distribution to the participants.

The final accounting shall be made within two years after the termination of the war or not later in any event than June 30, 1950.

Application Form

There is an application form for buildings, contents and similar risks and special applications for registered mail and express, transit, hull and cargoes stored afloat coverage. The regular application calls for the name of the applicant, whether an individual, partnership or corporation, mail address, schedule of insurance, name and address of any loss payee and interest of the applicant in the property. Then follows a statement that the insurance shall become effective three days after the application is received by the fiduciary agent (insurance company), provided the application is properly completed and is accompanied by full payment of premium. It also states that the application is a part of the policy and applicant warrants that all statements are true. The application must be executed in triplicate and is signed by the fiduciary agent, with a notation as to when received and when insurance is effective. There is also a space for the name and address of the producer.

The schedule calls for the description and location of each item of property, its occupancy class, construction class, coinsurance, amount, rate and premium.

On the reverse of the application are instructions. Each of the three copies must be signed and there is a warning not to send the application to War Damage Corporation. The instructions further recite that this application is to be used only on property having a fixed location, except that it may also be used to cover motor vehicles and other personal property ordinarily used in connection with a farm or private residence, in which case an appropriate description of the property and amount of insurance may be incorporated. It states that occupancy must be listed by the classification set forth in the rules and that risks are divided by construction into class 1 for fire resistive properties and class 2 for ordinary properties.

Exception to Coinsurance

Coinsurance does not apply to farm property or dwellings which house less than five families. Otherwise, 50 percent coinsurance is mandatory and a higher percentage may be carried if desired, in consideration of a reduced rate.

The instructions state that the building item includes any structure on the premises, additions and extensions, foundations and permanent fixtures contained or connected to the building and pertaining to its service. The contents item includes personal property,

except that covered under the building item, at or in the premises, property of others held in trust or on commission, or sold but not removed, or held for storage or repair, provided the applicant is legally liable, and the interest of the applicant, if a tenant, in improvements and betterments to the building. Jewelry and furs are covered as contents up to a maximum of \$1,000. The instructions also state that only one policy may be issued on any one property or group of properties insured under a blanket item.

Registered Mail and Express

The registered mail and express rider divides property into two classes. Class A is United States currency, revenue, war savings and postage stamps, specie and bullion, for which the rate is 7½ cents per \$1,000. Bonds, stocks and similar securities of all kinds are in Class B and a rate of 1 cent per \$1,000. Insurance may be written covering a single trip on an annual term basis. The application states that loss is payable to the assured or others as interests may appear.

If property is written for a term, the application calls for the aggregate value of property in each class shipped by, to or for the account of the applicant for the past 12 months. An estimated annual premium is figured from this statement and the premium is adjusted by audit at the end of the term.

For a single trip coverage, the application calls for a statement of value of each class to be shipped, approximate date of shipment, shipping points, point of destination and transportation to be used.

The rider states that the coverage applies to registered mail and express shipments, including shipments by registered air mail and air express, within and between points in continental United States, excluding Alaska and the Panama Canal Zone, continuously from leaving the office of the consignor until delivered at the office or the stated address of the consignee, including transportation by messengers and conveyors to and from the post office or express office. It covers the property while in the course of transportation by land, water or air, including during delays or handling. It does not cover property while detained by or at the instructions of the assured.

On Class A property, money, stamps, etc., there is a limit of liability of \$500,000 on any one shipment to any one consignee in any one day.

Class B property is covered only to the extent of the expense of reissue or duplication, not to exceed 10 percent of the market value of the property on the day of dispatch, nor more than \$100,000 on any one shipment to any one consignee in any one day. Expenses of reissue or duplication are limited to premiums on indemnity bonds, if needed, engraving, advertising, authentication charges and similar expenses and expense of legal proceedings and counsel fees to obtain reissue or duplication. If the property cannot be reissued or duplicated, liability is limited to 10 percent of the market value on the date of dispatch, or the cost of acquiring like securities, whichever is lower, subject to the maximum of \$100,000 on any one shipment to any one consignee in any one day.

The premium on annual policies is adjusted at the end of the term or whenever coverage is terminated. The assured is required to report the aggregate value of shipments and to maintain accurate record of shipments and their values.

The provisions in the printed standard policy relating to the effective date of insurance, pro rata distribution clause and coinsurance are eliminated.

Transit coverage applies only within the limits of harbors and other inland waters of the United States, as defined

in Section 2 of the 1895 Act of Congress regulating these waters, set forth in the "Pilot Rules for Certain Inland Waters" of the Department of Commerce and within the limits of the Great Lakes, including waterways connecting them and other harbors and tributaries within the United States. It does not cover cargoes on ocean going coast-wise, intercoastal or trans-ocean vessels.

Otherwise, the transit coverage applies to transportation on land, water and air conveyances, including delays in storage and general average and salvage charges irrespective of the percentage. It does not cover while the property is being detained by or at the instructions of the assured. It applies only within Continental United States, excluding Alaska and the Panama Canal Zone.

The transit application, in addition to requiring the name and address of the assured, loss payee and description of property, sets up the detailed method of determining the amount of insurance. If the insurance is written on an annual basis, it calls for the aggregate value of the property shipped by, to or for account of the applicant during the last 12 months, twice the amount of the shipments during the last six months, four times the amount during the last three months, or if he has been in business less than three months, his estimated values during the next three months. The highest amounts under any of these items is the amount of insurance.

For coverage on a single trip, the application calls for the value to be shipped, approximate date, point of shipment, point of destination and carriers to be used.

HULL COVERAGE

Hull coverage under the War Damage Corporation plan is confined to vessels navigating or laid up, afloat or on shore within harbors and inland waters of the United States and within the Great Lakes, including waterways connecting them and other harbors and tributaries in the United States, and while within harbors and inland waters of territories and possessions of the United States as defined by local authorities. There is no insurance should the vessels deviate beyond these limits, but coverage reattaches when the vessel returns "in good faith" to within the limits.

There is a valuation clause which is in effect a 100 percent coinsurance clause, saying that the vessel shall be valued at the amount stated in the application and insurance shall pay the same proportion of any claims that the amount insured bears to the value. Recovery for constructive total loss is permitted only when the expense of recovery and repairs exceed the total value of the vessel. The hull policy pays general average and salvage charges, subject to a rather involved pro rata or coinsurance clause. This states that, except in respect to amounts made good to the vessel itself, where the contributing value of the vessel for general average or salvage apportionment is established at more than the amount of insurance, the company shall be liable only for the proportion of this allotment that the amount insured bears to the contributing value. Likewise, if there is a collectible particular average claim, and the value of the vessel is accordingly reduced for the purpose of contribution, the amount of a particular average claim under the policy shall be subtracted from the amount insured in determining whether the amount of insurance is equal to the contributing value of the vessel.

Fiduciary Agent Agreement

The hull application requires the name and address of the applicant and loss payee, name of vessel, type, class, valuation of hull and machinery, amount of insurance, rate and premium, navigation limits and a statement as to whether the vessel is owned or chartered. Vessels of all steel construction, including hull, decks and superstructures are rated as class 1 and others as class 2.

The agreement between War Dam-

age Corporation and the insurance companies becoming fiduciary agents has 13 sections as follows:

13 SECTIONS

1. War Damage Corporation authorizes the fiduciary agent to perform its functions.

2. The fiduciary agent agrees to utilize its offices and facilities to make insurance available to the public, to receive applications, collect premiums and issue policies under prescribed forms and rules. This section states that the fiduciary agent may do this through its home office, branch offices and such general agents as may be designated by departmental offices. The fiduciary agent agrees to conform to a standard of performance and accuracy "reasonably to be expected of an insurance company in the administration of its own business and consistent with a high degree of good faith."

3. The fiduciary agent agrees to maintain separate books and records of this business, under methods subject to approval by War Damage Corporation, no material change to be required if the methods conform to acceptable insurance accounting practices.

4. Fees of producers and companies. The fiduciary agent agrees to pay producers from the collected premiums a "service fee" of 5 percent, not less than \$1 nor more than \$1,000 on any risk. For its own expense reimbursement, the fiduciary agent is to keep 3½ percent of each premium, subject to a minimum of 50 cents and a maximum of \$700. The fees of the fiduciary agent may be adjusted from time to time by agreements, the contracts stating that the allowances shall cover, without profit, direct actual or necessary expenses incident to this business, exclusive of any executive, management or expenses normally incident to the regular insurance business.

5. The fiduciary agent agrees to keep premiums in a separate fund and in a special bank account called "War Damage Account," to pay service fees and return premiums out of this account and to report to War Damage Corporation on the 20th of each month.

6. War Damage Corporation is to have access to the records of the fiduciary agent on this business.

7. The fiduciary agent agrees to preserve its records and deliver them to War Damage Corporation at any time required within 12 months after termination of this agreement.

8. The fiduciary agent agrees to notify War Damage Corporation of losses reported to it.

9. The fiduciary agent agrees not to write any insurance or reinsurance against "perils of the type insurable by War Damage Corporation" except risks incidental to other coverages regularly written by the fiduciary agent. This apparently means that the company can continue to write marine, transportation and similar lines without a war exclusion clause, if it customarily does so. This would not prevent a fire insurance company from writing use and occupancy and other war damage losses which are not being covered by War Damage Corporation.

10. This section states that fiduciary agent, representing War Damage Corporation, is not subject to local laws, but is not required to operate in any state where the company feels in its best judgment that this would get its normal business into trouble.

11. War Damage Corporation agrees to reimburse the fiduciary agent for any taxes, fees and the like which it will have to pay; and also for the cost of any suits brought against the fiduciary agent by assured.

12. The agreement may be canceled on 30 days notice by either party.

13. This defines the fiduciary agent. One of the last minute revisions in the setup was the decision that in the event of cancellation of a policy the producer would not be required to re-

turn any part of his service fee nor would the fiduciary agent be required to return any part of its service allowance.

Another last minute change was in reducing from 70 cents to 50 cents the minimum fee to be collected by a fiduciary agent for its work in connection with any one policy.

A.M.A. Insurance Parley Is Largest Yet Held

(CONTINUED FROM PAGE 32)

parted in this program were Lt.-Col. C. G. Richmond of the provost marshal general's office, who substituted for Lt.-Col. H. G. Reynolds, assistant chief of the internal security division of the provost marshal general's office; Brig.-Gen. R. B. Putnam, U. S. Marine Corps, retired, general security director of Gyroscope Company; and R. A. Wisner, plant engineer United States Steel Corporation.

Mr. Freeman and Percy Chubb, 2nd, director of wartime insurance, War Shipping Administration, were the speakers at the session on war damage insurance. Mr. Freeman's talk was covered in last week's issue and Mr. Chubb's is covered elsewhere in this issue.

Fleming Conducts Panel

All the sessions were much enhanced by the easy informality of the presiding officers, particularly that of Reginald Fleming, insurance manager of Commonwealth & Southern and vice-president of A. M. A. in charge of the insurance division. Mr. Fleming, in the role of insurance buyer of a hypothetical corporation, conducted an all-day panel discussion. By his skillful "needling" of the experts on the panel and the questioners Mr. Fleming succeeded in keeping the session as lively as if there had been only a few dozen people present instead of close to 600.

Ralph H. Bell, insurance manager United Parcel Service, presided the morning of the second day while E. F. Gallagher, superintendent Ohio Inspection Bureau conducted the final afternoon session.

RAY MURPHY'S TALK

Industry, business and insurance should remember that "through carelessness we can in effect sabotage our own efforts," Ray Murphy, assistant general manager Association of Casualty & Surety Executives, declared at the dinner meeting of the American Management Association insurance conference.

"To me the loss of the Normandie through carelessness was less pardonable than if it had been sabotaged," he said. "It has been said that if the Normandie had been insured by private carriers the fire that gutted it could never have occurred. I believe that to be a sound assumption. Insurance company inspection would have been so complete that any conditions which constituted a fire hazard would have been removed promptly. "If we are to win this war with a minimum loss of life and minimum economic waste, all of us—management and labor pulling as a team—must learn to be experts in the prevention of costly fires, accidents and delays."

Sketches Role of Insurance

Sketching the wartime role of insurance, Mr. Murphy touched on the establishment of the National Bureau for Industrial Protection, the stepped-up activity of the National Conservation Bureau, which is the accident prevention division of the Association of Casualty & Surety Executives, the covering of emergency use of automobiles announced jointly by the stock and mutual carriers, the comprehensive insurance rating plan, the insurance companies' cooperation with the government in establishing a plan to compensate those who are insured while at their occupations as a result of enemy attacks, and the plans that are being drafted to extend broader

interpretation of policies to include the use of premises for war purposes.

Mr. Murphy warned of the danger of winning the war on the military front yet losing it on the home front. There are some, he said, who would use the hysteria and dislocations of war to destroy the American private enterprise system and would give us a substitute which differs from Hitler's national socialism only in name. To stand united and firm in defense of the American way will be no less a contribution to total victory than will giving all that we have to the winning of total war, he said.

Effect of Priorities

At the session dealing with the Mythical Manufacturing Company's insurance, several buyers were interested in the attitude that an insurer would take toward a use and occupancy loss where priorities lengthened the time necessary for restoring the property to operating condition. Ivan Escott, vice-president of Home, a member of the panel of experts, said that if a canvass of available markets, including the second-hand market, showed that the property could not be put back into shape before the end of the period stipulated the insurer would be faced with a total loss and that cases have been settled on that basis since the invocation of priorities.

Other company men present confirmed this statement. H. C. Klein, secretary of New York Underwriters, pointed out that producers have emphasized the priorities threat in selling U. & O., that priorities help speed up restorations in many cases though retarding it in others, and that he saw no reason for any company to deny or limit liability because of priorities or rationing.

An insurance counsellor brought up the question of putting workmen's compensation rate making on a basis that would not give so much weight to the higher rates paid for overtime and holidays. He suggested that the companies might like to appoint a committee to discuss the question with the buyers.

MOTOR

Truck Operations Will Be Affected

Companies that do a large insurance business in connection with trucks are casting their eyes forward because the future is not so rosy on account of tire restrictions and the inability to get new vehicles. At the meeting of the American Trucking Association in Chicago, the W.P.B. announced that there would be no synthetic rubber for civilian use by the end of next year.

Trucks have become a very vital part of business and living. For instance, there are 48,000 communities in the country that have no railroad service at all. Farm crops now are hauled almost entirely by trucks. There were 700,000 common carrier trucks in business last year and their income was more than one billion dollars. There are 2,550,000 private and 1,500,000 farm trucks. It is estimated that the trucks handled 18 percent of the freight last year. Trucks are now carrying war materials about 50 percent of the time.

There are a number of motor carriers that say they need new equipment already. There are only 15,000 new trucks to be rationed and the lend-lease will obtain a share of these. The truck business both on automobile insurance and cargo by inland marine companies runs up into big money.

Chicago Auto Outing

The Automobile Superintendents Club of Chicago will hold its annual golf outing at St. Charles Country Club, June 10. The activities include a

luncheon and dinner as well as golf and other sports. K. C. Dick of General Exchange is chairman of the committee in charge, the other members being Grover Edwards, America Fore, and E. H. Miller, North British. E. A. Miller, Providence Washington, is president.

Auto Situation in Michigan Creates Sales Problem

LANSING, MICH.—Michigan agents are complaining of greatly increased sales resistance in the automobile field which has already cost a considerable volume of business. The situation is said to be based on a combination of factors, including the uncertain prospect for continued free use of automotive transportation, higher collision rates, and the change from the retention to deductible form for writing collision in accordance with a Michigan department order of several months ago.

The matter of decreasing premium volume on automobile business has been discussed, along with a number of other timely topics, at a series of local board meetings throughout the state attended by Waldo O. Hildebrand, secretary-manager Michigan Association of Insurance Agents. He said many agents have reported cancellations and there has been consideration of some form of appeal to the companies but it has taken no definite shape as yet. Among the cities visited were Bay City, Kalamazoo, Muskegon, Pontiac and Port Huron.

Hold Risk Is Reduced

Automobile owners, it is reported, are informing their agents that they are using their cars much less, thus automatically reducing hazards, yet cost of coverage is materially higher. Some are dropping collision cover on the ground that, with the reduced risk, they can afford to pay their own losses, if any, particularly since the new form entails a higher premium for \$25 deductible coverage than was charged for the so-called "50-50" policy which the state department has disapproved. Owners are laying up their cars "for the duration" and see no reason to maintain any coverage but fire inasmuch as theft and other hazards are eliminated. A factor which has materially affected renewals, also, agents report, is that 1941 saw a huge volume of new car sales and many owners of new cars with a higher valuation and increased premium notice the boosted insurance cost more acutely than would otherwise be the case.

Alfred I. Dreyfus, Detroit, chairman of the automobile study committee of the Michigan association, has called a meeting of that body to be held in Lansing June 30 at which it is anticipated that the changed automobile selling picture will be extensively discussed and some concrete recommendations may be framed.

Start Serving Prison Terms

Frank A. Miller, former superintendent of the loss department of Eagle Star and three former clerks of the department have now commenced serving prison terms at Sing Sing. They pleaded guilty to charges of grand larceny and forgery, having stolen \$183,000 since 1936 through filing false claims on policies. Miller received a sentence of four years; Lawrence O'Toole, who admitted getting \$30,000 of the money, was sentenced for a period of from 2½ to 5 years; Lawrence M. Sullivan and William McNamara, each of whom got about \$10,000, were sentenced for periods of from two to four years.

Mrs. Florence Fox, Massachusetts Bonding, was elected president of the Insurance Women of Milwaukee at the annual meeting, succeeding Miss Lucile McDermott, Ocean Accident. Margaret Nukow, Chamberlain Agency, is vice-president; Pauline Stefan, Shapanker Agency, corresponding secretary; Vivian Eberle, American Auto, recording secretary; Gladys Klemm, J. P. Foster Agency, treasurer.

STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. La Salle St., Chicago, at close of business June 1, 1942.

	Par.	Div.	Bid	Asked
Aetna Cas.	10	5.00*	111	116
Aetna Fire	10	1.80*	46 1/2	48 1/2
Aetna Life	10	1.40*	24	25 1/2
Amer. Alliance ..	10	1.20*	19	20 1/2
Amer. Equitable ..	5	1.00	16	17 1/2
Amer. Home	10	...	6	8
Amer. (N. J.) ...	2.50	.60*	12 3/4	13 1/2
Amer. Surety ...	25	2.50	47 1/2	49 1/2
Automobile	10	1.40*	30 1/2	32 1/2
Boston	100	21.00	490	518 1/2
Camden Fire	5	1.00	17 1/2	18 1/2
Carolina	10	1.40*	23 1/2	25
Contl. Cas.	5	1.50*	28	29 1/2
Contl. N. Y.	2.50	2.20*	35	37
Fidelity-Phen. ...	2.50	2.20*	36	38
Fire Assn.	10	2.50*	44	46
Firemen's (N.J.)	5	.40	8 1/2	9 1/2
Franklin Fire ...	5	1.40*	23	24
Gen. Reinsur. ...	5	2.00	39	41
Georgia Home ...	10	1.20*	21	23
Glens Falls	5	1.60	34	36
Globe & Repub. ..	5	.50	8 1/4	9 1/4
Gt. Amer. Fire ...	5	1.20*	23	24 1/2
Gt. Amer. Ind. ...	1	.20	9 1/4	10 1/4
Hanover Fire ...	10	1.20	21	22 1/2
Hartford Fire ...	10	2.50*	83	86
Home (N. Y.) ...	5	1.60*	25	27
Ins. Co. of N. A. ..	10	3.00*	63	65
Maryland Cas. ...	1	...	1 1/2	2 1/4
Mass. Bonding ...	12.50	3.50	52	54
Mer. (N.Y.) Com. ..	5	2.00*	40	44
Natl. Cas.	10	1.00	19	21
Natl. Fire	10	2.00	53	55
Natl. Liberty ...	2	.40	6 1/4	7
Natl. Un. Fire ...	20	5.00*	129	134
New Amst. Cas. ...	2	.35c	17 1/2	18 1/2
New Hampshire ...	10	1.80*	40	42
Northern (N.Y.) ..	12.50	5.00*	73 1/2	75 1/2
North River ...	2.50	1.00	18 1/2	20
Phoenix, Conn. ...	10	3.00*	78	81
Preferred Accl. ...	5	1.00	13	14
Prov. Wash.	10	1.40*	28 1/2	30
St. Paul F. & M. ..	62.50	10.00*	225	232
Security, Conn. ...	10	1.40	33 1/2	35
Sprgfd. F. & M. ...	25	4.75*	103	107
Standard Accl. ...	10	2.50	46	48
Travelers	100	16.00	345	355
U. S. Fire	4	2.00	41 1/2	43 1/2
U. S. F. & G.	2	1.25*	23	25

*Includes extras.

Premium Budgeting Has Special Appeal Today

C. H. Froehle, manager at Tulsa for First Bancredit Corporation, in addressing the annual meeting of the Oklahoma Association of Insurance Agents, pointed out some of the particular uses of premium financing under today's economic conditions.

He pointed out that insurance was specifically exempted from the government's recent credit restrictions and agents are thus fortunate in being able to extend the same liberal credit terms that were available before the war.

These days many firms have substantial amounts of money tied up in inventories and plant expansions. Their cash position is somewhat tight and many of these firms will prefer to budget their insurance costs. Firms can take advantage of cash discounts in their buying by budgeting their insurance premiums, he said.

There are many executives today who welcome the opportunity of budgeting their insurance premiums because of increased tax burdens and necessity of buying war bonds.

Getting more policyholders to take three and five year term policies is a definite economy. One agent for instance converted 76 annual fire policies into five year term policies with an annual average premium of \$103.89. The assured made substantial savings, the agent made a good commission, cut his handling cost 80 percent, practically eliminated collection troubles and tied up the business for a period of five years.

The sale of three and five year term business is particularly appropriate at this time in order to keep operating costs down. Moreover, if there is to be a federal tax on new premiums, the assured who buys now will escape that extra burden.

With the prospect of steadily increasing income taxes, the agent would probably be better off to get the income today on term policies rather than having it spread over future years.

Commissioner Blackall of Connecticut gave the commencement address Tuesday evening at the Hartford College of Law & Insurance. Degrees of bachelor of science in insurance were conferred on eleven.

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The torch of
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conflict. Americans are
today participating in an all-
out effort to meet the challenge.
Through service and sacrifice,
courage and valor, the demands
of war are being met. America
is fighting to preserve its
right to Liberty-and
determined to
WIN!



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The Allemonia Fire Insurance Co. of Pittsburgh

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Richmond Insurance Co.
Western Assurance Co., U. S. Branch
British America Assurance Co., U. S. Branch
Southern Fire Insurance Co., Durham, N. C.

Organized 1836
Incorporated 1851
Incorporated 1833
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